



London Borough of Hammersmith & Fulham

Cabinet

Agenda

MONDAY
5 JANUARY 2015
7.00 pm

COURTYARD ROOM
HAMMERSMITH
TOWN HALL
KING STREET
LONDON W6 9JU

Membership

Councillor Stephen Cowan, Leader of the Council
Councillor Michael Cartwright, Deputy Leader
Councillor Sue Macmillan, Cabinet Member for Children and Education
Councillor Andrew Jones, Cabinet Member for Economic Development and Regeneration
Councillor Max Schmid, Cabinet Member for Finance
Councillor Vivienne Lukey, Cabinet Member for Health and Adult Social Care
Councillor Lisa Homan, Cabinet Member for Housing
Councillor Sue Fennimore, Cabinet Member for Social Inclusion
Councillor Wesley Harcourt, Cabinet Member for Environment, Transport & Residents Services

Date Issued
23 December 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

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

PUBLIC NOTICE

The Cabinet hereby gives notice of its intention to hold part of this meeting in private to consider items (18-24) 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 **4-15** 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 31 December 2014.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 7 January 2015**. Items on the agenda may be called in to the relevant Policy and Accountability Committee.

The deadline for receipt of call-in requests is: **Monday 12 January 2015 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 12 January 2015**.

Cabinet Agenda

5 January 2015

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3.	DECLARATION OF INTERESTS	
	<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.</p>	
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17.	EXCLUSION OF PRESS AND PUBLIC	

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

18.	EXEMPT MINUTES OF THE MEETING HELD ON 1DECEMBER 2014 (E)	
19.	RENEWAL OF THE CONTRACT FOR THE SUPPLY OF TEMPORARY AGENCY WORKERS (E)	
20.	EXITING THREE COMMUNITY ADMISSION BODIES FROM THE LOCAL GOVERNMENT PENSION SCHEME (E)	
21.	INTERIM PROVISION OF HOME CARE SERVICES (E)	

- 22. TRI-BOROUGH PROCUREMENT OF INFORMATION TECHNOLOGY AND COMMUNICATIONS SERVICES - EXEMPT ASPECTS (E)**
- 23. DELIVERING THE SCHOOLS CAPITAL PROGRAMME : EXEMPT ASPECTS (E)**
- 24. FUTURE HIGHWAYS WORKS CONTRACTS 2015 : EXEMPT ASPECTS (E)**

Agenda Item 1

London Borough of Hammersmith & Fulham



Cabinet

Minutes

Monday 1 December 2014

PRESENT

Councillor Stephen Cowan, Leader of the Council
Councillor Michael Cartwright, Deputy Leader
Councillor Sue Macmillan, Cabinet Member for Children and Education
Councillor Andrew Jones, Cabinet Member for Economic Development and Regeneration
Councillor Max Schmid, Cabinet Member for Finance
Councillor Vivienne Lukey, Cabinet Member for Health and Adult Social Care
Councillor Lisa Homan, Cabinet Member for Housing
Councillor Sue Fennimore, Cabinet Member for Social Inclusion
Councillor Wesley Harcourt, Cabinet Member for Environment, Transport & Residents Services

ALSO PRESENT

Councillor Andrew Brown
Councillor Marcus Ginn
Councillor Steve Hamilton
Councillor Lucy Ivimy
Councillor Harry Phibbs
Councillor Greg Smith

90. MINUTES OF THE CABINET MEETING HELD ON 3 NOVEMBER 2014

RESOLVED:

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

91. APOLOGIES FOR ABSENCE

There were no apologies for absence.

92. DECLARATION OF INTERESTS

There were no declarations of interest.

93. ENHANCED POLICING REPORT

Cabinet was informed of proposals for a new Enhanced Policing Model in the borough, in line with the Administration's Manifesto Commitments, to increase the size of the current team from 36 to 44 officers, a 22% increase in resourcing. The additional officers would boost ward level policing, tackle social exclusion and promote social inclusion within the Borough.

Councillor Cartwright was pleased that the Administration had found £4 million through section 106 funding to finance this initiative. This was a key achievement for the Administration within its first 6 months in office. He added that there had been a lot of positive comments on the Internet about the new policy.

In response to a question, the Leader stated that the Crime Prevention Design Officer post would be retained. The Administration was committed to reducing crime and anti-social behaviour in the borough through a new, expanded model of Enhanced Policing. This will put additional police resources into ward level policing across Hammersmith and Fulham.

Councillor Fennimore noted that the Town Centre teams would still be in place while additional resources will target exclusion caused by homelessness, involvement in anti-social behaviour or youth violence.

RESOLVED:

- 1.1. That the current contract between H&F and MOPAC for the purchase of additional policing resources (36 officers) be extended until 31 March 2015. (The budget for 2014/15 was set on the assumption that the existing contract would be extended to March 2015, and s106 funds have been identified as sources. The £642,000 cost of the extension will therefore be met from existing approved budgets, subject to formal allocation of S106 funds.)
- 1.2. That approval be given to a new three year Enhanced Policing Model for the borough, which increases the Council funded police resources by 22%, from 36 to 44 officers (from 1st April 2015 to 31st March 2018), at a cost of £4,735k for the three year contract. (A three year period is to suit MOPAC planning. No details are available yet for costs for 2018/9 but the Cabinet is recommended to note the possible requirement for an additional £1,630k if the contract were extended for a fourth year).
- 1.3. To note the possible requirement for an additional £1,630k of funding if the contract were extended for a fourth year.
- 1.4. To note that it is probable that all costs can be met from S106 agreements, but where s106 funds are being relied upon which are not yet in the possession of the Council they will initially be funded from Council Reserves, creating a reserve specifically for policing, which will be reimbursed if and when those s106 funds are received.

- 1.5. That approval be given to a new model of local policing whereby the local authority supplements the Local Policing Model by increasing the number of named ward officers and introduces a social inclusion role for them.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

94. CORPORATE REVENUE MONITOR 2014/15: MONTH 6

RESOLVED:

To note the General Fund and HRA month 6 revenue outturn forecast.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

95. CAPITAL MONITOR AND BUDGET VARIATIONS 2014/15, (SECOND QUARTER)

RESOLVED:

That the proposed technical budget variations to the capital programme totalling £7.6m (summarised in Table 1 and detailed in Appendix 2), 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.

96. CORPORATE SERVICES - ESTABLISHING A SHARED ICT SERVICES FUNCTION AND IMPLEMENTING THE ICT TARGET OPERATING MODEL

RESOLVED:

- 1.1 To note and agree the business case, subject to required staff consultation.
- 1.2 That the Chief Information Officer be authorised to start staff consultation and implement the proposed target operating model for the shared ICT service, specifically:

That the following posts be deleted with effect from 1 April 2015:

- Chief Information Officer (WCC) – 1 FTE
- Director for Procurement and IT Strategy (H&F) – 1 FTE
- Head of Information Systems Division (RBKC) – 1 FTE
- Head of Business Technology (H&F) – 1 FTE
- Head of IS Strategy (WCC) – 1 FTE
- vacant posts within the structures as needed to fund the establishment of the new posts set out in recommendations 2.4 and 2.5 (any remaining vacant posts will be reviewed as part of phase 2 of the proposed restructure)

- 1.3 That the following new posts making up the shared ICT service divisional leadership team (ICT DLT) be created with effect from 1 April 2015:

- Head of Business Partnering – 1 FTE
- Head of Digital Services – 1 FTE
- Head of Information Management – 1 FTE
- Head of Operations – 1 FTE
- Head of ICT Portfolio Management – 1 FTE
- Head of Strategy and Enterprise Architecture – 1 FTE

(It is proposed that each Council will have a lead Head of Service to act as a key point of liaison for senior stakeholders).

- 1.4 That the following posts be created with effect from 1 April 2015:

- Strategic Relationship Manager – 4 FTE
- Problem Manager – 1 FTE

- 1.5 That the secondments in place for the Strategic Relationship Managers and Problem Manager be extended up to 31 March 2015 to allow the consultation process and any resulting recruitment to be completed successfully.
- 1.6 That the Interim Chief Executive Hammersmith & Fulham (on behalf of H&F) and the Town Clerk and Chief Executive Royal Borough of Kensington & Chelsea (on behalf of RBKC) and the Chief Executive Westminster City Council (on behalf of WCC) be authorised to enter into a section 113 agreement in respect of the shared ICT service.
- 1.7 That the Interim Chief Executive Hammersmith & Fulham in consultation with the Leader of the Council for H&F and the Town Clerk and Chief Executive Royal Borough of Kensington & Chelsea in consultation with the Leader of the Council for RBKC and the Chief Executive Westminster City Council in consultation with the Cabinet Member for Corporate and Customer Services for WCC be authorised to approve hosting arrangements for the shared ICT service (and as part of that to determine the employing borough for new roles in the ICT division) and to make any ancillary decisions to enable the services to operate effectively.
- 1.8 That a review of the reporting line of the WCC business intelligence function and team be considered in early 2015.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

97. CORPORATE SERVICES - SHARED LEGAL SERVICES BUSINESS CASE REPORT

RESOLVED:

- 1.1 To note and agree the business case and thereby create an integrated Legal Services across the three Boroughs, subject to staff consultation.
 - 1.1.1 That the following posts are deleted with effect from 31 January 2015:
 - Bi-borough Director of Law (H&F and RBKC) – 1 FTE
 - Head of Legal and Democratic Services (WCC) – 1 FTE

- 1.1.2 That a new post (1 FTE) of “Director of Law” is created from 31 January 2015.
- 1.1.3 To continue to review and optimise the mix of in-house and outsourced service delivery within Legal Services as well as explore options for sharing and selling our services beyond the three boroughs, to realise the vision of becoming a leading public sector legal services business.
- 1.2 That the Chief Executive of Westminster City Council for WCC, the Town Clerk for RBKC and the Interim Chief Executive of Hammersmith & Fulham, be authorised to enter into the section 113 Agreement in respect of Legal Services on the terms set out in Appendix 2 or such other broadly similar terms as they, in consultation with the relevant Director of Law, considers appropriate.
- 1.3 That the Chief Executive of Westminster City Council in consultation with the Cabinet Member for Corporate and Customer Services in WCC, the Town Clerk in consultation with the Leader of the Council for RBKC and Interim Chief Executive in consultation with the Leader of the Council for LBHF, be authorised to approve hosting arrangements for legal services and make any ancillary decisions to enable the services to operate effectively as a shared services.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

98. PROPOSED OUTSOURCING OF COMMERCIAL PROPERTY MANAGEMENT FUNCTION

Councillor Schmid expressed his disappointment that local firms were unable to access the framework agreement. On a positive note, he stated that local businesses were pleased that this contract would result in a more professional and efficient service provision. There will also be better returns on the portfolio.

The Leader supported Councillor Ivimy’s call for broader social responsibility and benefits. The Council does not want to see betting and payday loan shops springing up across the borough. The contract would ensure a mixed economy and support a vibrant community.

RESOLVED:

- 1.1. That the Business Case document appended to the report and the case put forward for outsourcing the Council's Commercial Property Management Function to GVA Grimley Ltd, be noted.
- 1.2. That approval be given to the proposal to outsource the Council's Commercial Property Management Function and authorise officers to proceed to call off a contract from the Council's Property Framework with GVA Grimley Ltd, the named contractor on the Framework for providing commercial property management services.

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.

99. BI-BOROUGH LGPS PENSION ADMINISTRATION SERVICES FROM 1 APRIL 2015

RESOLVED:

- 1.1. That approval be given to the termination, by mutual agreement with the supplier, of the Capita pension administration service call-off contract for H&F and RBKC on 31 March 2015, to be achieved by means of a Deed of Termination to be approved by the Bi-Borough Director of Law and signed by all parties to the call-off contract.
- 1.2. That approval be given to Aquila Heywood ("Heywood") as the supplier of the pension administration software, for a period of five (5) years, to be administered by Surrey County Council, to be achieved by entering in to a specific/call-off contract from a framework arrangement established by NCC in May 2014, and in accordance with EU procurement requirements.
- 1.3. That Surrey County Council be approved as the new provider of pension administration services and payroll services for pensioners for H&F and RBKC from 1 April 2015, for an initial period of five (5) years.
- 1.4. That approval be given to one-off transition costs to the respective pension funds of £258,000 for H&F and £226,000 for RBKC for moving the new service to an alternative provider, and the estimated annual ongoing costs of £267,000 for H&F and £208,000 for RBKC. (These estimated costs reflect scheme membership numbers and other

membership movement activity in each borough where relevant, and also include estimated costs for the Heywood Altair software.)

- 1.5. To note the requirement to seek full Council approval at the full Council meetings of RBKC (on 3 December 2014) and H&F (on 28 January 2015) to approve and make arrangements for the discharge of its functions under section 101 of the Local Government Act 1972 and to delegate the H&F and RBKC pension administration service and pensioner payroll service to SCC from 1 April 2015, for an initial period of five (5) years. (An agreement will be drafted with SCC to formalise the arrangements between the parties. It is anticipated that the agreement will contain a minimum four (4) month termination clause).

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.

100. EXECUTIVE RESPONSE TO THE BUSINESS RATES SCRUTINY TASK GROUP

Both Councillors Ivimy and Jones endorsed the recommendations of the Task Group.

RESOLVED:

- 1.1 That approval be given to the proposed Executive Response to the recommendations made to the Council.
- 1.2 That a report including the full cost implications for recommendations that would change existing Council policy be submitted to the Economic Regeneration, Housing & the Arts Policy and Advisory Committee.
- 1.3 That the Economic Regeneration, Housing & the Arts Policy and Advisory Committee be responsible for monitoring the implementation of the Task Group's recommendations.

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.

101. DRAFT HAMMERSMITH AND FULHAM LOCAL PLAN – APPROVAL OF CONSULTATION DOCUMENT

Councillor Jones highlighted a number of proposed policy changes and noted that the consultation document would be circulated widely. In response to a question about tall buildings, the Leader noted that residents have a greater influence on planning issues under the current administration. Residents will have their say in setting local criteria to control the type of tall buildings in their area. Ongoing discussions are taking place with local residents and the developer on the Town Hall development proposal. On Charing Cross Hospital, The Leader noted that the electorate had given them the mandate to oppose the closure of the Accident and Emergency department.

RESOLVED:

- 1.1 That approval be given to the consultation draft Local Plan (see Appendix 1) and the Proposals Map changes (see Appendix 2), with a view that the documents and other associated material such as the Sustainability Appraisal are made available for public consultation.
- 1.2 That the Executive Director of Transport and Technical Services, in conjunction with the Cabinet Member for Environment, Transport & Residents Services, be authorised to approve any technical and other minor amendments to the consultation draft Local Plan.
- 1.3 That approval be given to commence consultation in January 2015 for a minimum of 6 weeks.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

102. NEIGHBOURHOOD REFORM PILOTS TO TACKLE LONG TERM WORKLESSNESS

Councillor Jones congratulated officers for securing the funding.

RESOLVED:

- 1.1. That Westminster City Council's Cabinet Member for Housing, Regeneration, Business & Economic Development agrees the use of the Transformation Challenge Award as set out in this report.
- 1.2. That the Royal Borough of Kensington & Chelsea's Cabinet Member for Housing, Property and Regeneration agrees the use of the Transformation Challenge Award as set out in this report.
- 1.3. That the London Borough of Hammersmith & Fulham undertake further detailed work to identify how the funding can be best used to support local priorities to tackle long-term worklessness, and that incurring this expenditure be delegated to the Cabinet Member for Economic Development and Regeneration.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

103. SPECIAL EDUCATIONAL NEEDS REFORM AND BURDENS GRANT

RESOLVED:

That the grants currently being held in corporate finance accounts be made available to the Children's Services department to support the additional expenditure that will be incurred by the Education Directorate while enacting the SEN reforms over the next two years.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

104. APPROVAL TO PROCURE BULK PRINTING, SCANNING AND PAYMENT PROCESSING SERVICES FOR BI-BOROUGH PARKING SERVICES

RESOLVED:

- 1.1 That approval be granted to procure a joint Bi-Borough contract for printing of statutory documents, the scanning of incoming correspondence and processing of payments.
- 1.2 To note that for the purposes of the Public Contracts Regulations 2006 (as amended) the London Borough of Hammersmith and Fulham will be acting as the Contracting Authority.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

105. STRATEGIC HOUSING STOCK OPTIONS APPRAISAL

Councillor Homan noted that the report sets out proposals for giving housing residents ownership and management of their homes. This was consistent with the tenets underpinning the Big Society and the Administration's commitment to devolve more power to the Community. Councillor Ginn expressed concern about the structure of the transfer which could lead to less democratic accountability. The Leader pointed out that a residents' commission with independent advice would be set up. In addition, there will be a free ballot to determine the future of the housing stock. He noted that the Administration had engaged with many residents through the Policy and Advisory Committees. It will continue to engage with the public on policy development.

RESOLVED:

- 1.1. That approval be given to proceeding with and producing a Strategic Housing Stock Options Appraisal (SHSOA) for the future financing, ownership and management of the Council's housing stock, as set out in section 5 of this report.
- 1.2. That approval be given to carrying out an initial residents engagement programme to ascertain residents initial views on the possible options open to the council with regards to its Housing Stock, set out in Appendix 1, as the first stage of any strategic housing stock options programme.

- 1.3. That approval be given to the budget of £1.5 million funded from the General Fund Reserves for the preparation and submission of the Strategic Housing Stock Options Appraisal business case and report to Cabinet. The contribution from the HRA to these costs will be calculated after the procurement of services in line with DCLG regulations. Approval of this contribution is delegated to the Cabinet Member for Housing.
- 1.4. That approval be given to the establishment of a 'Residents Commission on Council Housing', for strategic oversight of the Stock Options Appraisal comprising of approximately a dozen residents supported by the programme manager.
- 1.5. That in accordance with the provisions of Contract Standing Orders paragraph 11.4, framework agreements operated by either the Crown Commercial Service and/or the Homes & Communities Agency be used to procure the necessary specialist advice.
- 1.6. That the requirements contained in Contract Standing Order 12.3 for the Cabinet to make contract awards be delegated to the Cabinet Member for Housing, in order to progress the related procurement processes for:
 - a) external Independent Tenants Advisor, including Contract Award on the basis that extension options are included to allow for further advice, should stock transfer be recommended.
 - b) external legal advice including Contract Award on the basis that extension options are included to allow for further advice, should stock transfer be recommended;
 - c) consultancy to conduct a comprehensive refresh of stock condition information to a warrantable standard including Contract Award on the basis that extension options are included to allow for further advice, periodic updates throughout the programme as required, rights to the data and analysis be available/assigned to any new organisation(s) and their advisors, should stock transfer be recommended;
 - d) external property and surveying advice including Contract Award on the basis that extension options are included to allow for further advice, should stock transfer be recommended;
 - e) external financial advice including Contract Award on the basis that extension options are included to allow for further advice, should stock transfer be recommended;
 - f) external Communications and Consultation Advisor including Contract Award on the basis that extension options are included to allow for further advice, should stock transfer be recommended.

up to a maximum cumulative estimated value of £1.5 million for the Strategic Housing Stock Options Appraisal.

- 1.7. That authorisation be given to the Programme Team to share data and analysis with the Residents Commission on Council Housing, external advisors, and funders etc as required throughout the Strategic Housing Stock Options Appraisal in accordance with the Council's Information Sharing Protocols.
- 1.8. That delegated authority be given to the Cabinet Member for Housing in conjunction with the Executive Director for Housing & Regeneration to progress the Options Appraisal and then report the outcomes back to the Cabinet, where there is a desire to deliver an interim progress report to the ERH&A Policy & Accountability Committee in May/June 2015, and to conclude this process at the earliest opportunity with a report to Cabinet in August/September 2015. This assumes timely progression of activities throughout the Strategic Housing Options Appraisal.
- 1.9. That authorisation be given to the Executive Director for Housing & Regeneration to hold exploratory discussions with Department for Communities and Local Government (DCLG), HM Treasury, Homes & Communities Agency (HCA) and Greater London Authority (GLA) on process, funding and timetable to ensure the Strategic Options Appraisal meets all parties' requirements.
- 1.10. That members of the Economic Regeneration, Housing and the Arts Policy and Accountability Committee be invited to participate in the Stock Options Appraisal process.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

106. WASTE FRAMEWORK DIRECTIVE - TEEP REGULATIONS

RESOLVED:

That approval be given to continue collecting recyclables in commingled form, i.e. to make no changes to the current system of collection.

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.

107. KEY DECISIONS LIST

The Key Decisions List was noted.

108. 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.

109. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 3 NOVEMBER 2014 (E)

RESOLVED:

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

110. BI-BOROUGH LGPS PENSION ADMINISTRATION SERVICES FROM 1 APRIL 2015: 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.

111. PERMANENT PLACEMENT GRANT (E)

RESOLVED:

That the recommendations in the exempt report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

112. APPROVAL TO PROCURE BULK PRINTING, SCANNING AND PAYMENT PROCESSING SERVICES FOR BI-BOROUGH PARKING SERVICES : 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.

113. **STRATEGIC HOUSING STOCK OPTIONS APPRAISAL (EXEMPT ASPECTS)**

RESOLVED:

That the exempt appendices be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.


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

None.

Meeting started: 7.00 pm
Meeting ended: 7.48 pm

Chair

Agenda Item 4

	London Borough of Hammersmith & Fulham CABINET 5 JANUARY 2015
COUNCIL TAX BASE AND COLLECTION RATE 2015/2016	
Report of the Cabinet Member for Finance: Councillor Max Schmid	
Open Report	
Classification - For Decision Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Jane West Executive Director of Finance & Corporate Governance	
Report Author: Steve Barrett Head of Revenues and Benefits	Contact Details: Tel: 020 8753 1053 E-mail: steve.barrett@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report contains an estimate of the Council Tax Collection rate and calculates the Council Tax Base for 2015/16.
- 1.2 The Council Tax base will be used in the calculation of the Band D Council Tax undertaken in the Revenue Budget Report for 2015/16.
- 1.3 The proposed Council Tax Base for 2015/16 of 71,983 is an increase of 2,108 on the figure agreed for 2014/15, of 69,875.
- 1.4 Based on the 2014/15 Band D charge of £735.16 the increase in the tax base will result in an increased income of £1.55m
- 1.5 The recommendations contained in the Council Tax Support 2015/16 and Council Tax Empty Homes Premium reports will need to be approved prior to those contained in this report. This is because they are included in the calculation of the Band D Council Tax in section 7.3 below.

2. RECOMMENDATIONS

2.1 That approval be given to the following recommendations for the financial year 2015/16:

(i) That the estimated numbers of properties for each Valuation Band as set out in this report be approved.

(ii) That an estimated Collection rate of 97.5% be approved.

(iii) That the Council Tax Base of 71,983 Band "D" equivalent properties be approved.

3. BACKGROUND

3.1 Under Section 31B of the Local Government Finance Act 1992 and The Local Authorities (Calculations of Council Tax Base) (England) Regulations 2012, the Council (as billing authority) is required to calculate its Council Tax Base. This comprises both the estimated numbers of properties within each Valuation band plus the Council's estimate of its collection rate for the coming financial year.

3.2 For 2014/15 the Council approved a Council tax Base of 71,666 Band D equivalent dwellings, and an estimated Collection Rate of 97.5%, which resulted in a tax base of 69,875.

3.3 Under Section 11A of the Local Government Finance Act 1992, Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012 and Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 the Council reduced discounts for both Second Homes and Unoccupied and Unfurnished dwellings to 0% with effect from 2013/14 and subsequent years until revoked.

3.4 Cabinet will also be required to approve the recommendations in the Council Tax Support 2015/16 and Council Tax Empty Homes Premium reports, prior to the recommendations in this report, as they are reflected as Band "D" equivalents in the Council's Tax base calculations in section 7.3 below.

4. DISCOUNTS

4.1 Second Homes

4.1.1 There are some 1,995 second homes in the borough. The Council does not offer a discount on second homes which adds 2,316 Band "D" equivalents to the tax base for 2015/16. These discounts are included in Section 6.3 below.

4.1.2 Based upon 2014/15 Council Tax levels this generates income to the Council of £1.7m. This income is allowed for within the Council's Medium Term Financial Strategy. Our preceptor, the GLA, also benefits from the reduction in the discount.

4.2 Empty Properties

4.2.1 There are some 767 empty (unoccupied and unfurnished) properties in the borough. The Council does not offer a discount for empty properties which adds an additional 902 Band "D" equivalents to the tax base for 2015/16. These discounts are included in Section 6.3 below.

4.2.2 Based upon 2014/15 Council Tax levels this generates income to the Council of £0.7m. This income also directly benefits the GLA.

5. EMPTY HOMES PREMIUM

5.1 There are 50 properties that have been empty for more than two years and the effect of increasing the charge on these properties to 150% of the normal charge adds an additional 29 Band "D" equivalents to the taxbase for 2015/16.

5.2 This equates to additional income for the Council (net of preceptors) of approximately £21k (based on the 2014/15 Band D Council Tax). An estimated £9k will also be payable to the GLA.

6. COUNCIL TAX SUPPORT

6.1 Under Council Tax Support, Hammersmith & Fulham and the GLA absorb the full cost of the scheme, which mirrors the previous council tax benefit arrangements.

6.2 For 2014/15 the Council has provided for a total of £13.3m in Council Tax Support discounts. This equates to 12,941 band "D" equivalents based on 2014/15 Council Tax levels.

6.3 The tax base regulations require the cost of the scheme to be treated as a discount and deducted from the Council's tax base calculation in section 7.3.

7. VALUATION BAND PROPERTIES

7.1 The latest information on the number of properties within each valuation band is contained within a return (CTB1), which the Council provided to the DCLG on 17 October 2014.

7.2 This return reflected the actual number of properties shown in the Valuation List as at 8 September 2014 and the Council's records as at 6 October 2014.

7.3 A detailed analysis of the properties in each valuation band can be summarised as follows. There are a total of 84,340 dwellings on the list with some 29,653 properties estimated to receive a sole occupier discount. The total Band "D" equivalent is approximately 86,997 properties.

Band	Band Size	Total Dwellings	Total after Discounts, Exemptions and Disabled Relief	Ratio	Band "D" Equivalents
A	Values not exceeding £40,000	3,537	2,902.3	6/9	1,934.7
B	Values exceeding £40,000 but not exceeding £52,000	5,674	4,791.8	7/9	3,726.9
C	Values exceeding £52,000 but not exceeding £68,000	14,199	11,910.0	8/9	10,586.7
D	Values exceeding £68,000 but not exceeding £88,000	24,242	21,407.3	9/9	21,407.3
E	Values exceeding £88,000 but not exceeding £120,000	14,959	13,624.5	11/9	16,652.2
F	Values exceeding £120,000 but not exceeding £160,000	8,943	8,223.0	13/9	11,877.7
G	Values exceeding £160,000 but not exceeding £320,000	10,669	10,046.0	15/9	16,743.3
H	Values exceeding £320,000	2,117	2,034.3	18/9	4,068.5
		84,340	74,939.0		86,997.3

8. ADJUSTMENTS TO THE VALUATION LIST

8.1 The above table shows the valuation band position at 8 September 2014 but the Council is also required to take into account the Council Tax Support Scheme and any other likely changes during the financial year 2015/16. Therefore the following adjustments need to be considered:

(i) New Properties

There are likely to be a number of new properties, conversions etc. added to the valuation list at some point during the year. There are approximately 363 units currently under construction on various sites in the Borough that will be added to the tax base sometime during 2015/16. It is estimated after allowing for different completion dates that this will equate to an additional 399 Band 'D' equivalents.

(ii) Banding Appeals

There have been over 10,000 appeals lodged with the valuation office in respect of initial Council Tax bandings. There are now only a small number unsettled so it is not proposed to make any adjustments for these.

(iii) Single Person Discounts

The council is undertaking a review of single person discounts being awarded to taxpayers. This review has so far resulted in the removal of 843 discounts which increased the taxbase by 220 Band "D" equivalents when the CTB1 form was submitted to DCLG on 17 October 2014. The review is not yet complete and it is estimated that a further 1,240 discounts will be removed which will add an additional 243 Band "D" equivalents to the tax base for 2015/16.

(iv) Student Exemptions

Dwellings wholly occupied by students are exempt from Council Tax. The projected Council Tax base needs to be adjusted to allow for students that have yet to prove their exemption for the new academic year. It is estimated that an adjustment of 940 Band "D" equivalents is required.

(v) Council Tax Support

The cost of the scheme equates to 12,941 band "D" equivalents, based on 2014/15 Council Tax levels, which now have to be deducted from the tax base for 2015/16. This is less than the deduction of 13,686 Band D equivalents made in 2014/15. This is due to a reduction in the number of claimants applying for a discount and the impact of the 3% 2014/15 Council Tax cut.

(vi) Empty Homes Premium

The introduction of this premium adds a further 29 band "D" equivalents to the taxbase as detailed in section 5 above

- 8.2 The Council is required to set its Tax Base on the total of the relevant amounts for the year for each of the valuation bands shown or is likely to be shown for any day in the year in the authority's valuation list.
- 8.3 Taking into account the latest information from the CTB1 return to the DCLG and the proposed adjustments, Council is requested to approve the estimated numbers of properties for each valuation band as set out in the following table:

Band	Band "D" Equivalent Actual September 2014	Adjustments for New Properties	Adjustments for Student Exemptions	Adjustments for Single Person Discounts	Empty Homes Premium	Adjustments for Council Tax Support	Revised Band "D" Equivalents 2015/16 Forecast
A	1,934.7	12	-13	17	0	-619	1,328.7
B	3,726.9	8	-40	26	1	-1295	2,426.9
C	10,586.7	20	-140	57	2	-2978	7,547.7
D	21,407.3	124	-286	79	12	-3928	17,408.3
E	16,652.2	74	-222	35	2	-2374	14,167.2
F	11,877.7	151	-144	16	4	-1121	10,783.7
G	16,743.3	10	-85	15	6	-575	16,114.3
H	4,068.5	0	-10	1	2	-13	4,048.5
	86,997.3	399	-940	246	29	-12903	73,828.3

9. COLLECTION RATE

- 9.1 The Council is also required to estimate its Collection Rate for 2015/16 at the same time as arriving at the estimated number of properties within the Tax Base. In arriving at a percentage Collection Rate for 2015/16, the Council should take into account the likely sum to be collected, previous collection experience and any other relevant factors.
- 9.2 The actual sum to be collected from local Council Tax payers cannot be finally determined until the preceptor's requirements are known and the Council has approved its budget. The Council therefore has to make an estimate of the sums to be collected locally making estimated allowance for sums from Council Tax Support and write-offs/non-collection.
- 9.3 The actual collection rate for 2014/15 achieved to mid November 2014 is 68.4% comprising cash collection of £52.0m and Council Tax Support of £13.3m. It is estimated that a further £21.3m (27.9%) will need to be collected by 31 March 2015 and £0.9m (1.2%) thereafter.
- 9.4 Collection performance has been calculated in order to comply with DCLG performance indicator calculations. Latest calculations for 2013/14 and 2014/15 show that the current collection rate can be continued for 2015/16. It is therefore suggested that the collection rate for 2015/16 is maintained at 97.5%.

10. THE TAX BASE

- 10.1 Under Section 31(B) of the Local Government Finance Act 1992 and the Regulations, the Council's tax base is calculated by multiplying the estimated number of Band "D" equivalents by the estimated collection rate.
- 10.2 Based on the number of Band "D" equivalents in the table in paragraph 7.3 above and the estimated collection rate in paragraph 8.4 above, the calculation is as follows:-

(Band D equivalents) x (Collection Rate) = (Tax Base)			
73,828	x	97.5%	= 71,983

11. RISK MANAGEMENT

- 11.1 This is a statutory process and any risks are monitored through the Council's MTFS process.

12. EQUALITY IMPLICATIONS

- 12.1 There are no equality implications in this report.

13. FINANCIAL AND RESOURCES IMPLICATIONS

- 13.1 The Tax Base is set by 31 January each year, as outlined in the Local Government Finance Act 1992. It is used within the overall Council Tax and budget setting process, due to be reported to Budget Council on 25 February 2015.
- 13.2 The proposed Council Tax Base for 2015/16 of 71,983 is 2,108 Band D equivalents higher than the 69,875 agreed for 2014/15. The main reasons for this change are set out below:

	Band D Change
Increase in the tax base due to new properties	925
Reduction in number claiming single persons discount	463
Reduction in Council Tax Support scheme discounts	745
Empty Homes Premium	29
Gross Total Change	2162
Adjusted for Collection rate of 97.5%	-54
Total change	2108


14. LEGAL IMPLICATIONS

- 14.1 The Council is under a statutory duty to set the Council Tax for the forthcoming financial year and to make a budget. This report forms part of that process. The Council is obliged, when making its budget, to act reasonably and in accordance with its statutory duties, the rules of public law and its general duty to Council Tax payers.
- 14.2 The basic amount of Council Tax must be calculated in accordance with Section 31B of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012.
- 14.3 The Council Tax base has been calculated in accordance with the Act and the Regulations. The estimated collection rate to 97.5% is a reasonable and realistic estimate.

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

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	DCLG Return CTB1 (October 2014)	S. Barrett Ext. 1053	2 nd Floor Town Hall Extension

Agenda Item 5

	London Borough of Hammersmith & Fulham CABINET 5 JANUARY 2015
COUNCIL TAX EMPTY HOMES PREMIUM 2015/2016	
Report of the Cabinet Member for Finance: Councillor Max Schmid	
Open Report	
Classification - For Decision	
Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Jane West Executive Director of Finance & Corporate Governance	
Report Author: Steve Barrett Head of Revenues and Benefits	Contact Details: Tel: 020 8753 1053 E-mail: steve.barrett@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The Local Government Finance Act 1992 (as amended) allows the Council to increase the council tax on dwellings that have been empty for more than two years to 150% of the normal charge. This is known as Empty Homes Premium
- 1.2. This change will have to be approved by Full Council on 28 January 2015 and can take effect for 2015/16 and subsequent financial years (until such time as changed by the Council).

- 1.3. The estimated increased income which would result from this change would be in the region of £21k for 2015/16

2. RECOMMENDATIONS

- 2.1 That the following recommendation be made to Council for the financial year 2015/16 and subsequent years until revoked:

Determine that the council tax on dwellings that have been empty (unoccupied and unfurnished) for more than two years be 150% of the normal council tax charge

3. REASON FOR DECISION

- 3.1 The Council is required to make this decision to allow the change to be made and comply with the legislation and regulations detailed in this report

4. INTRODUCTION AND BACKGROUND

- 4.1 The Local Government Finance Act 2012 enabled the Council to remove council tax discounts and exemptions previously available to owners of second homes and empty dwellings in the borough. These changes were approved by the Council with effect from 1 April 2013 and subsequent financial years until revoked. This means that empty properties and second homes pay the full council tax, thus removing the financial incentive to leave them vacant.
- 4.2 The Local Government Finance Act 2012 also enabled The Empty Homes Premium, with effect from 1 April 2013. This gave authorities the power to increase the council tax on dwellings that have been empty (unoccupied and unfurnished) for more than two years, to 150% of the normal charge. This premium was not adopted by the council for the financial years 2013/14 and 2014/15.

5. COUNCIL TAX EMPTY HOMES PREMIUM

- 5.1 The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 exempt two classes of dwelling from premium. These are:
 - A dwelling which is the sole or main residence of a member of the armed forces away from the property on active service
 - A dwelling which forms part of a single property which is occupied

- 5.2 Any additional income generated from premium can be retained locally and shared with the GLA.

6. RISK MANAGEMENT

- 6.1. This is a statutory process and any risks are monitored through the Council's MTFS process.

7. EQUALITY IMPLICATIONS

- 7.1 The recommendations in this report (at 2.1) will mean that those who own an empty and unfurnished dwelling, or one undergoing major repair, which remains unoccupied for more than two years will have to pay 150% of the normal council tax charge. This will impact on those who have such a dwelling e.g. people who own a second home, people buying a property that requires major repair, etc.. but the Council does not have any diversity data to disaggregate this further.
- 7.2 This will be a negative impact for those who will be required to pay the additional council tax. However the introduction of a premium would encourage owners and landlords to bring vacant properties back into occupation and fully supports the Council's strategy on empty homes.

8. FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1 There are some 50 properties that have been empty for more than 2 years and the effect of increasing the charge on these properties to 150% adds an additional 29 Band "D" equivalents to the tax base for 2015/16.
- 8.2 This equates to additional income for the Council (net of preceptors) of approximately £21k (based on the 2014/15 Band D Council Tax). An estimated £9k will also be payable to the GLA.

9. LEGAL IMPLICATIONS

- 9.1 Further to the Local Government Finance Act 2012 which received Royal Assent on 31 October 2012, individual local authorities have been devolved decision-making on local finance to local communities in light of the wider localism agenda being promoted by the Government.
- 9.2 Section 12 of the Local Government Finance Act 2012 inserted a new section 11B into the Local Government Finance Act 1992. In respect of a dwelling that has been unoccupied and substantially unfurnished for more than two years, the new section allows billing authorities to charge


up to 150% of the council tax that would be payable if the dwelling were occupied by two adults and no discounts were applicable.

- 9.3 The new section allows the Secretary of State to make provision for exceptions, by prescribing classes of dwelling, taking into account the physical characteristics and the circumstances of any person liable, for which a billing authority will not be able to charge extra council tax.
- 9.4 Any homeowner that wishes to object to the application of this increased charge will have three options available to them:
- Seek judicial review in the High Court,
 - Apply to the local authority for discretionary relief or
 - Complain to the Local Government Ombudsman

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Local Government Finance Act 1992 (published)	Steve Barrett Ext: 1053	FCS H & F Direct
CONTACT OFFICER: Steve Barrett		NAME: Steve Barrett EXT. 1053	

Agenda Item 6

	London Borough of Hammersmith & Fulham CABINET 5 JANUARY 2015
LOCALISED COUNCIL TAX SUPPORT SCHEME 2015/16	
Report of the Cabinet Member for Finance : Councillor Max Schmid	
Open Report	
Classification - For Decision Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Jane West, Director of Finance and Corporate Governance	
Report Author: Paul Rosenberg Head of Operations, H&F Direct	Contact Details: Tel: 020 8753 1525 E-mail: paul.rosenberg@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. In April 2013, council tax benefit (CTB) ended and local authorities had to introduce their own scheme to help their residents who need help paying their council tax.
- 1.2. For the previous two years, the Council has agreed a scheme that worked as though the old council tax benefit regulations were still in place (previously known as “the default scheme”) meaning no one in the borough was worse off.
- 1.3. Funding for this local scheme was fixed at a rate of 10% less than what was previously awarded in council tax benefit. The amount taken account of within the 2014/15 Local Government Finance settlement (LGFS) was £10.609m.
- 1.4. This report recommends that the Council continues to absorb the initial 10% reduction and in effect develop a local scheme that mirrors the

previous council tax benefit scheme. This means that still, no one in the authority will be worse off.

- 1.5. The recommendation, as stipulated by the Local Government Finance Act, needs to be agreed by full Council by 31 January 2015.
- 1.6. The scheme will run for the financial year 2015/16 and options for 2016/17 will be examined early next year.
- 1.7. The amount of government funding taken account of within the 2015/16 LGFS is not yet confirmed but is anticipated to be a similar amount to 2014/15. The cost of this year's scheme has been less than that taken account of within the Local Government Finance Settlement due to the 3% reduction in the council tax and a declining caseload. The grant is not paid separately to the Council but taken account of within the calculation of Revenue Support Grant (general government grant) paid to the Council. This is a concern given that Revenue Support Grant is currently reducing by more than 10% per annum.
- 1.8. The authority has consulted with residents to get their views on this proposal as set out in paragraph 7 below.

2. RECOMMENDATION

- 2.1. That the Council continues to award a council tax discount as though the Council Tax Benefit regulations were still in place, meaning that no one currently in receipt of council tax support will be worse off.

3. REASONS FOR DECISION

- 3.1. The reasons for this recommendation are the same as for previous years. There is a much lower collection rate for schemes that do pass on the cost to those on low incomes. The experience of other London Boroughs is that the collection rate for CTS recipients is about 60%.
- 3.2. Furthermore, there will be an additional cost to the authority in trying to collect this amount of money. It is estimated that around 4 to 5 extra staff would be needed staff to deal with increased enquiries and appeals at the Valuation Tribunal.

4. INTRODUCTION AND BACKGROUND

- 4.1. The Local Government Finance Act 2012 gained Royal Assent on 31 October 2012. This Act abolished council tax benefit and gave local authorities new powers to assist residents on low incomes with help paying their council tax.

- 4.2. The Act does impose some conditions on local authorities in that pensioners must be protected (so that no pensioner is worse off) and people in work must be supported, but this aside the authority can develop a scheme as it sees fit.
- 4.3. The government takes account of what it has awarded previously in council tax benefit, less 10%, in the annual Revenue Support Grant calculation. This is a fixed amount and it is up to the authority to decide how to deal with this potential loss of income.
- 4.4. The schemes have to last at least a year. It is proposed that this scheme runs for one year for the period April 2015 to April 2016. This will allow the authority choice for 2016/17 if it wishes to change its scheme then to raise additional revenue.

5. PROPOSAL AND ISSUES

- 5.1. By not changing the scheme the Council continues to ensure that those on low incomes are not asked to pay a proportion of their council tax. The council therefore avoids lengthy consultation, adverse publicity and it does not penalise the poorest and most vulnerable elements of the community by forcing them to pay some council tax.
- 5.2. However, the Council does not benefit from the additional income that amending the scheme could bring.

Cost of the scheme

- 5.3. It is impossible to determine the exact cost of the scheme because:
 - Government funding is not yet confirmed
 - it depends on the number of people who make a successful claim for CTS throughout 2015/16.
- 5.4. The government funding is based on council tax benefit awards in 2010/11 when the caseload and level of council tax was higher. Consequently, the scheme for this year has been less expensive than predicted.
- 5.5. The costs for this year are as follows:

• Reduction in income from CTS scheme (LBHF share):	£9.35M
• 2014/15 LGFS Funding	£10.609M
• Indicative Surplus for LBHF:	+£1.259M
- 5.6. The share of grant allocation as well as council tax support awards is split between the borough and the GLA. For clarity, the above figures just show

the borough's share. The lower cost of the council tax support scheme will be taken account of within the 2015/16 Medium term Finance Strategy.

- 5.7. Because the grant allocation was based on council tax benefit spend in 2010/11, when the borough made more awards, even with the 10% shortfall the borough has more than broken even on the scheme for this year. The cost of the scheme has also fallen in line with the council tax reductions.
- 5.8. An added complication is that this grant is not paid separately to the council but forms part of the Revenue Support Grant (RSG) calculation. Local authorities have expressed concern that this means that funding is effectively reducing in line with wider cuts in RSG (currently running at more than 10% per annum).

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. Options on whether or not the scheme should be changed were reviewed earlier in the year. This is because if the Council was going to change the scheme, we would have needed to consult on this over the summer.

7. CONSULTATION

- 7.1. As required by the Local Government Finance Act, officers consulted with the GLA as the precepting authority and with the public on the proposed scheme. Appendix 1 shows GLA's response.
- 7.2. The consultation with the public was carried out on the Council's website via citizen space from 11 August 2014 to 26 September 2014. For this year, there were only two responses both in favour of keeping the scheme the same. The responses are attached in Appendix 2.
- 7.3. As in previous years, the consultation was kept deliberately simple as no change is proposed to what is currently in place. The GLA have stated that they are happy with this approach.
- 7.4. Of the two responses the one comment shows that the respondent felt that the cost of changing the scheme would be more than the additional money that it would collect. Furthermore, they also stated that the families that would be affected if we were to change the scheme are already suffering from rises in the cost of living.

8. EQUALITY IMPLICATIONS

- 8.1. As no changes are proposed, an Equalities Impact Assessment is not required.

9. LEGAL IMPLICATIONS

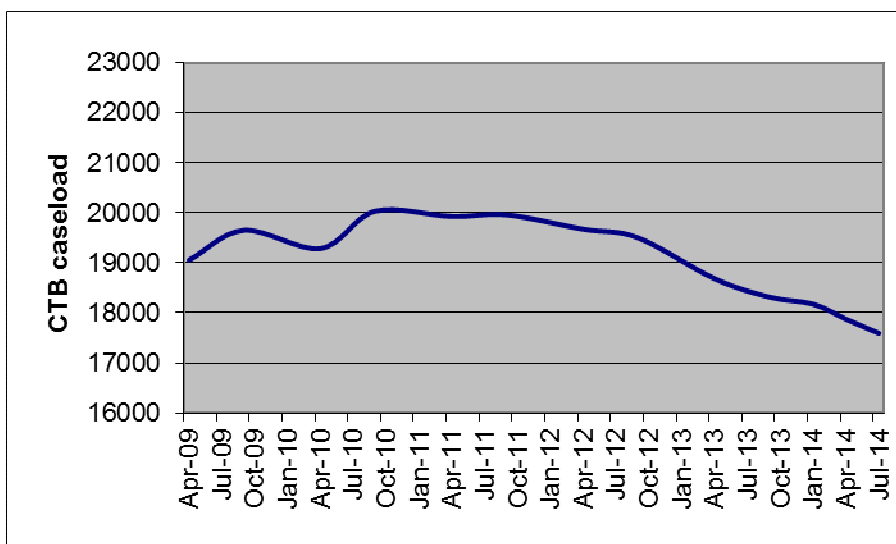
- 9.1. Under the Local Government Finance Act 2012 and the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012/2886 it is a requirement to have a support scheme in place as is outlined in this report.
- 9.2. The legal requirements of the Scheme are outlined in Schedule 4 of the Local Government Finance Act 2012 and include consulting any major precepting authority which has power to issue a precept to it. The GLA has been consulted. It also includes publishing a draft scheme in such manner as it thinks fit and consulting with such other persons as it considers are likely to have an interest in the operation of the scheme. Details of the consultation are contained in the body of the report and appendix 1.
- 9.3. Implications verified/completed by: (Joyce Golder, Principal Solicitor, 0207 361 2181).

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The financial implications of this proposal are set out in the report
- 10.2. Andrew Lord - Head of Finance-Budget Planning & Monitoring 020 8753 2531

11. RISK MANAGEMENT

- 11.1. As the grant for this scheme will be fixed, if more people claim CTS than anticipated (due to a downturn in the local economy) then the borough will have to cover this itself.
- 11.2. However, caseloads over the last 3-4 years have been relatively stable and have been reducing since 2011. Although possible, it is not likely that this borough (due to its relative affluence) will experience a significant local downturn.
- 11.3. The graph shows how the caseload has fluctuated:



11.4. The average CTB award is currently £14.58 per week. A rise in caseload of 500 claims over and above the grant level would therefore cost the authority / GLA a further £379k per year, although this would be shared with the GLA. Furthermore, as can be seen from the graph above, the caseload within the borough has been dropping consistently since April 2011.

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.	None		

Resources

City Hall
The Queen's Walk
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Switchboard: 020 7983 4000
Minicom: 020 7983 4458
Web: www.london.gov.uk

Paul Rosenberg
Head of Operations, Assessments H & F Direct
London Borough of Hammersmith and Fulham
Town Hall
King Street
Hammersmith
London W6 9JU
Dear Paul

Our ref: Preconsult1516
Your ref:
Date: 04 August 2014

LONDON BOROUGH OF HAMMERSMITH AND FULHAM LOCALISATION OF COUNCIL TAX SUPPORT PRE CONSULTATION WITH GLA FOR 2015-16 SCHEME

Thank you for your email dated 29 July setting out the draft council tax support scheme for 2015-16 which the London Borough of Hammersmith and Fulham intends to implement. We note that this represents your formal pre-consultation with the Greater London Authority under Schedule 4 to the Local Government Finance Act in advance of the launch of any future public consultation.

The GLA notes the current intention of your Council to consult on a localised council tax support scheme that will offer broadly the same level of support to recipients as the council tax benefit scheme that had been in place before the introduction of council tax support in 2013-14. It has no specific comments to make on your proposals at this stage.

The GLA of course reserves the right to respond in detail as part of any wider consultation process and engagement you undertake with local residents and stakeholders. We would be grateful if you could email any consultation documents (or a weblink to them) once published to the Mayor (at mayor@london.gov.uk) and the relevant London Assembly constituency member Kit Malthouse (who represents West Central) at kit.malthouse@london.gov.uk.


I would like to thank you for consulting the GLA.

Yours sincerely



Martin Mitchell
Finance Manager

Do you agree with H&F's proposal to absorb the cost? - H&F proposal	Do you agree with H&F's proposal to absorb the cost? - Please explain your view on the council's decision to absorb the cost	Are you responding to the consultation in your capacity as a representative of any of the following: - Org	Are you responding to the consultation in your capacity as a representative of any of the following: - If other, please add here	Do you pay council tax to the London Borough of Hammersmith and Fulham? - CT H&F	Do you receive council tax benefit? - Recieve CTB	What is your age group? - Age	Are you: - are you	How would you describe your ethnicity? (Please select one box only) - Ethnic origin
Yes	The cost of administering the scheme plus dealing with any underpayments may well end up costing more then it saves. Many families affected are already in penury with cost of living increasing.	Not Answered		Yes	Yes	18-60	Disabled	White Irish
Yes		Housing Association		No	No	18-60	Employed	White British

 <p>hammersmith & fulham</p>	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 JANUARY 2015</p>
<p>CORPORATE REVENUE MONITOR 2014/15 MONTH 7</p>	
<p>Report of the Cabinet Member for Finance : Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Jane West – Executive Director of Finance and Corporate Governance</p>	
<p>Report Author: Gary Ironmonger</p>	<p>Contact Details: Gary Ironmonger Tel: 020 (8753 2109) E-mail: gary.ironmonger@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The General Fund outturn forecast is a favourable variance of £4.826m with budget risks of £5.471m. This is before taking account of contingencies.
- 1.2. The saving proposals put forward in the Interim Budget Report to Council in July are incorporated within this Report. The forecast underspend is £0.828m more than that set out in the July Council Report.
- 1.3. The HRA is forecast to underspend by £1.134m with HRA general reserves of £11.658m at year end. The HRA budget risks are £1.433m.
- 1.4. There are no virement requests at Month 7.
- 1.5. Finance and Corporate services are proposing to use the 2014/15 HFBP refund relating to the decommissioning of H&F Direct customer relationship management IT system to cover H&F Direct in-year spending pressures with the balance to be transferred to the Housing Benefit reserve.

2. RECOMMENDATIONS

- 2.1. To note the General Fund and HRA month 7 revenue outturn forecast.

- 2.2. To agree the proposed use of the HFBP 2014/15 IT systems refund to cover in year H&F Direct spending pressures and transfer the balance to the Housing Benefit Reserve.

3. REASONS FOR DECISION

- 3.1. The decision is required to comply with the Financial Regulations.

4. CORPORATE REVENUE MONITOR (CRM) 2014/15 MONTH 7 GENERAL FUND

Table 1: General Fund Projected Outturn – Period 7

Department	Revised Budget At Month 7 £000s	Forecast Year End Variance At Month 7 £000s	Forecast Year End Variance At Month 6 £000s
Adult Social Care	64,939	(362)	(453)
Centrally Managed Budgets	27,671	(2,490)	(2,480)
Children's Services	48,466	1,505	919
Unaccompanied Asylum Seeking Children	1,013	198	115
Environment, Leisure & Residents' Services	31,514	129	192
Finance and Corporate Services	16,835	(404)	(281)
Housing & Regeneration	7,899	(660)	(630)
Library Services (Tri- Borough)	3,214	(30)	(30)
Public Health Services	346	(346)	(346)
Transport & Technical Services	16,033	(98)	(112)
Controlled Parking Account	(20,291)	(2,268)	(2,550)
Net Operating Expenditure*	197,639	(4,826)	(5,656)
Interim Budget Savings		3,998	3,998
Revised Variance after Interim Savings		(828)	(1,658)
Key Risks		5,471	4,259

*note: figures in brackets represent underspends

- 4.1. Detailed variance and risk analysis by department can be found in Appendices 1 to 9.

CORPORATE REVENUE MONITOR 2014/15 HOUSING REVENUE ACCOUNT

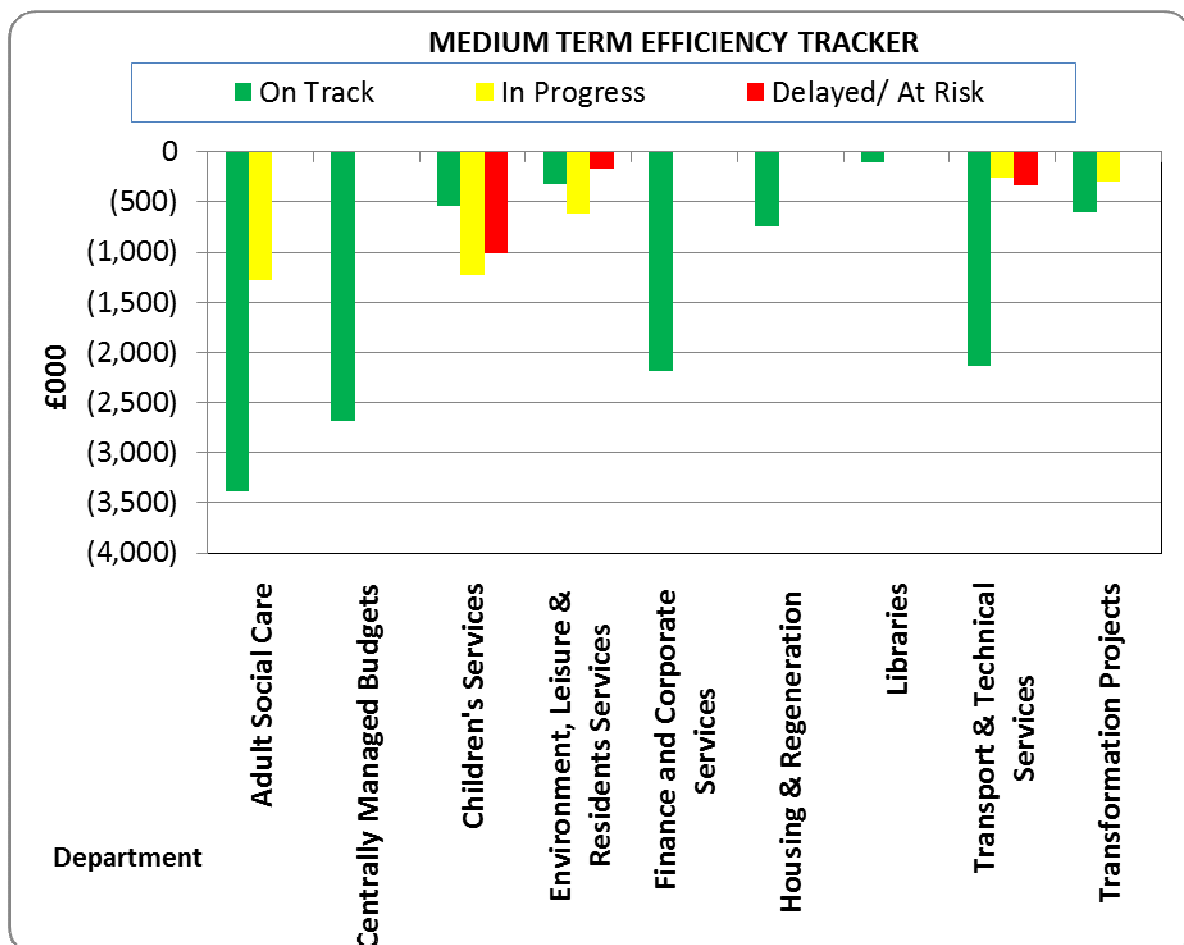
Table 2: Housing Revenue Account Projected Outturn - Period 7

Housing Revenue Account	£000s
Balance as at 31 March 2014	(7,494)
Add: Budgeted Contribution to Balances	(3,030)
Add: Forecast Underspend	(1,134)
Projected Balance as at 31st March 2015	(11,658)
Key Risks	1,433

4.2. Detailed variance and risk analysis can be found in Appendix 10.

5. MEDIUM TERM FINANCIAL STRATEGY EFFICIENCY TRACKER SUMMARY

5.1. The 2014/15 budget included efficiency proposals of £17.905m. Progress against these is summarised below and detailed in Appendices 1 to 9.



6. VIREMENTS & WRITE OFF REQUESTS

- 6.1. Cabinet is required to approve all budget virements that exceed £0.1m.
- 6.2. There are no virement requests at Month 7.

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. There are no legal implications for this report.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The General Fund outturn forecast at Month 7 is for a favourable variance of £4.826m. This is £0.828m more than the savings proposals identified in the Council's interim budget review.
- 10.2. The HRA outturn forecast at Month 7 is an underspend of £1.134m.
- 10.3. Implications verified/completed by: Gary Ironmonger. Tel. 020 8753 2109.

11. RISK MANAGEMENT

- 11.1. Details of actions to manage financial risks are contained within departmental Appendices (1-10).

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.	CRM 5	Gary Ironmonger - Tel: 020 8753 2109	FCS

List of Appendices

Appendix 1	Adult Social Care Revenue Monitor
Appendix 2	Centrally Managed Budgets
Appendix 3	Children's Services Revenue Monitor
Appendix 3a	Unaccompanied Asylum Seeking Children Revenue Monitor
Appendix 4	Environmental Leisure and Residents Services Revenue Monitor
Appendix 5	Finance and Corporate Services Revenue Monitor
Appendix 6	Housing and Regeneration Department Revenue Monitor
Appendix 7	Library Services (Tri-Borough) Monitor
Appendix 8	Public Health Services Monitor
Appendix 9	Transport and Technical Services Monitor
Appendix 9a	Controlled Parking Account Revenue Monitor
Appendix 10	Housing Revenue Account Monitor

APPENDIX 1: ADULT SOCIAL CARE**BUDGET REVENUE MONITORING REPORT – PERIOD 7****1. Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6
	£000s	£000s	£000s
Integrated Care	44,410	548	421
Strategic Commissioning & Enterprise	11,713	(873)	(829)
Finance & Resources	7,943	0	11
Executive Directorate	872	(37)	(56)
Total	64,939	(362)	(453)
Interim Budget Savings Reported to Full Council on 23 rd July 2014		809	809
Variance post Interim Savings		447	356

2.Variance Analysis with Action Plans to Address Forecast Overspends/(Underspends)

Departmental Division	Variance £000s	Explanation & Action Plans
Integrated Care	548	<p>There are pressures on the Home Care Packages and Direct Payments budgets as people are supported at home, in line with Tri-Borough ASC strategy. There is a net projected overspend of £644,000 in this budget. Discussions with the Clinical Commissioning Groups (CCG) around the new Home Care and Community Independence Services (CIS) will assist with addressing the increasing demand of Care at Home from 2015/16. Discussions continue for health funding in 2014/15.</p> <p>Within the Older People and Physical Disabilities service, the Placement budget is projected to underspend by (£571,000). Included in this projection is a £157,000 contribution from NHS funding for Social Care and £94,000 additional Public Health funding for employment costs.</p> <p>Within the Learning Disability (LD) Service, there is a net projected overspend of £524,000. The main reasons for the overspend relate to three transition customers being factored in (2 previously expected to be</p>

Departmental Division	Variance £000s	Explanation & Action Plans
		<p>Continuing Care and one new customer) and a further two Social Care customers now staying for the full year, resulting in the net LD Placement projected overspend of £460,000. In the LD Direct Payment budget, there is a net projected overspend of £64,000 due to an increase of five customers. There is action Plan in place to monitor the progress of the LD overspend.</p> <p>There are pressures now emerging in the Assistive Equipment Technology budget with a projected overspend of £131,000 due to the out of hospital strategy and the additional spending on the CIS to prevent entry into hospital. From 2015/16, there is CCG funding from the CIS model to assist with the budgetary pressure.</p> <p>The projected underspend of (£147,000) in Mental Health Services is within the Placements budget with a reduction of three customers since the commencement of this year.</p> <p>The new Transport contract is not now expected to deliver savings in 2014/15. A briefing paper is being discussed with the Cabinet Member on the re-modelling and variation of the service contract.</p>
Strategic Commissioning & Enterprise	(873)	<p>Within this Division, (£552,000) of Supporting People costs are to be funded by Public Health grant. In addition there is a projected underspend of (£133,000) from Supporting People procurement savings on new contracts from the West London Framework agreement and variations on existing contracts. In addition, there is an underspend of (£100,000) within the no resource to Public Funds due to lower number of customers.</p>
Finance & Resources	0	Projected to breakeven
Executive Directorate	(37)	<p>Within the Directorate Division, there is a reduction in general training budget costs of (£66,000) which is partly offset by a marginal overspend of £29,000 on supplies and services and advertising costs.</p>
Total	(362)	

Table 3: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Learning Disability review of continuing Care Client	0	250
Residential and Nursing Inflation Negotiation	0	127
Total	0	377

Table 4: MTFS Progress (with explanations of schemes at red status)

Department	2014/2015 MTFS Target	On Track (Green)	In Progress (Amber)	Delayed/ At Risk (Red)
	£000s	£000s	£000s	£000s
Adult Social Care	(4,664)	(3,389)	(1,275)	0

5. Comments from the Executive Director

Adult Social Care (ASC) is projecting a net underspend of (£362,000) as at the end of period seven, this is a decrease in the underspend of £91,000 compared to period. The main reasons for the change in the projection is an increase in Equipment spend of £131,000 due to the out of hospital strategy and the additional spending on the CIS to prevent entry into hospital. This is partly offset by a reduction in pressures in LD placement budget resulting in a net decrease of (£40,000) in the projections.

As part of the incoming Administration's review of the 2014/15 General Fund revenue budget, ASC has identified three savings that can be achieved early in this financial year. As detailed in the table below, these savings totalling (£809,000) are included in the projected outturn position of (£362,000) underspend. A redirection of these resources would need to take into account the overall impact on the departmental variances. For illustrative purposes, if all of the savings were redirected in 2014/15, the revised ASC position would be a projected overspend of £447,000.

The current Home Care (HC) contracts expired on 30th September 2014. Individual spot contracts have been procured for HC customers for the period 1st October 2014 to 31st March 2015, until the new HC contracts are procured. Procurement have negotiated the spot rates with providers and there is an additional cost of £54,000 which is factored into the projections

There are two other potential risks to the forecast. 52 placements are still under negotiation with a requested increase in costs representing a full year cost of £127,000. As part of the Learning Disability action plan there is a review of Continuing Care clients which could result in a transfer of care responsibilities amounting to £250,000.

The department is expected to deliver savings of £4,664,000 in this financial year and at this stage of the year 73% are on track to be delivered. The remaining savings are classified as amber as discussions are on-going with the service providers and at this stage are expected to be delivered.

Council Interim Budget Savings 2014-15	Savings £000's	On Target	Notes
Adult Social Care			
Improve outcomes and reduce dependency amongst residents through better joint services with the NHS.	(157)	Yes	
Review of no recourse to public funds savings.	(100)	Yes	
Additional Public Health external funding has been identified that offsets Support People costs by £552k	(552)	Yes	
Adult Social Care Total	(809)		

APPENDIX 2: CENTRALLY MANAGED BUDGETS**BUDGET REVENUE MONITORING REPORT – PERIOD 7****1. Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6
	£000s	£000s	£000s
Corporate & Democratic Core	5,839	0	(80)
Housing and Council Tax Benefits	(90)	0	0
Levies	1,570	0	0
Net Cost of Borrowing	2,322	(200)	(200)
Other Corporate Items (Includes Contingencies, Insurance, Land Charges)	8,035	(290)	(200)
Pensions & Redundancy	9,995	0	0
Other (Council Tax Support, Contribution to Balances, provisions)	0	(2,000)	(2,000)
Total	27,671	(2,490)	(2,480)
Interim Budget Savings Reported to Full Council 23 rd July 2014		2,480	2,480
Variance post Interim Savings		(10)	0

2. Variance Analysis with Action Plans to Address Forecast Overspends/(Underspends)

Departmental Division	Variance £000s	Explanation & Action Plans
Corporate & Democratic Core	0	An £80k reduction in Audit Fees is offset by an additional £80k in accommodation costs due to tri borough staff relocation.
Net Cost of Borrowing	(200)	Underspend based on expected change to debt profile over remainder of the year.
Other Corporate Items	(290)	Due to the housing market Land Charges income is forecast to be £200k better than budget. The cost of maternity leave is forecast to be £90k under budget.
Other	(2,000)	Potential redirection of resources in line with Interim Council budget for contribution to balances and provisions and Council Tax Support.
Total	(2,490)	

Table 3: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
There is a risk that the Net Cost of Borrowing may be under or over budget depending on the changes to the capital programme implemented in 2014/15.	(500)	500
Total	(500)	500

Table 4: MTFS Progress (with explanations of schemes at red status)

Department	2014/2015 MTFS Target	On Track (Green)	In Progress (Amber)	Delayed/ At Risk (Red)
	£000s	£000s	£000s	£000s
Centrally Managed Budgets	(2,686)	(2,686)	0	0

5. Comments from the Director

After accounting for the Interim Budget savings identified below Centrally Managed budgets (excluding contingencies) are forecast to have a favourable variance of £10k.

Council Interim Budget Savings 2014-15	Savings £000's	On Target	Notes
CMB			
Budgeted contribution to balances	(900)	Yes	This saving is on target.
Inflation provision	(400)	Yes	The inflation contingency is currently expected to be £400k under budget.
Redundancy provision	(200)	Yes	Spend is forecast to be £200k under budget.
External Audit savings of £80,000 have been identified	(80)	Yes	External audit expenditure is forecast to be £80k under budget.
Debt restructuring opportunities that will enable budget savings of £200,000.	(200)	Yes	Proposals for the restructuring of debt to meet this saving are under review.
Council Tax Support	(500)	Yes	As unemployment falls reduced caseload is expected to deliver savings.
Land Charges	(200)	Yes	Land charge income is forecast to be £200k better than budget.
CMB Total	(2,480)		

APPENDIX 3: CHILDREN'S SERVICES**BUDGET REVENUE MONITORING REPORT – PERIOD 7****1. Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6
	£000s	£000s	£000s
Tri Borough Education Service	4,387	(187)	(209)
Family Services	32,559	1,577	1,009
Children's Commissioning	5,645	232	236
Finance & Resources	5,871	83	83
Dedicated School Grant & Schools Funding	4	(200)	(200)
Total	48,466	1,505	919
Interim Budget Savings Reported to Full Council 23 rd July 2014		439	439
Variance post Interim Savings		1,944	1,358

2. Variance Analysis with Action Plans to Address Forecast Overspends/(underspends)

Departmental Division	Variance £000s	Explanation & Action Plans
Tri Borough Education Service	(187)	Although forecasting an underspend on the Transport Contract, the main movement in month is increasing additional costs due to new users and changes in the way that some children are being transported.
Family Services	1,577	The Service is incurring significant placement pressures with regards to new burdens established by the Coalition Government but which have not been fully funded. The Department will seek to contain as much as is possible through balances established to cover spending pressures but its ability to do so is compromised through other pressures and increasing number of children who are entitled to new forms of support as set out in Executive Director comments.
Children's Commissioning	232	Tri-borough transport and placement commissioning teams remain over budget.
Finance & Resources	83	IT budget pressures from filestore and programme charges.
Dedicated School Grant & Schools Funding	(200)	Appropriate expenditure will be identified to maximise the use of DSG effectively.
Total	1,505	

Table 3: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Secure Remand	135	200
No Recourse To Public Funds	200	300
Southwark Judgement Support	375	450
Kinship Fees related to the Tower Hamlets Judgement	375	450
Cost of supported accommodation rent rising above Housing Benefit	100	200
Rising cost of support to care leavers in education over 21	75	150
Staying Put and consequential costs of Staying Put	175	250
18+ Children With Disabilities (CWD) not meeting ASC criteria	80	150
Additional resources required in Looked After Children (LAC) and Leaving Care	360	600
Delayed start to Assessment Contract	80	100
Total	1,955	2,850

Table 4: MTFS Progress (with explanations of schemes at red status)

Department	2014/2015 MTFS Target	On Track (Green)	In Progress (Amber)	Delayed/ At Risk (Red)
	£000s	£000s	£000s	£000s
Childrens' Services	2,780	544	1,225	1,011

5. Comments from the Executive Director

The Children's Services Department is projecting an overspend of £1.5m. The projection has been increasing over the last few months as the department's ability to contain the spending pressures that it faces is compromised. The variance movement since CRM 6 is due to increasing pressures in Family Services plus IT costs. Transport contract savings have been able to offset some of this in prior months, but as niche transport costs are rising, this financial benefit is decreasing.

The department has identified and is working to deliver £2,780m of savings in this financial year, most of which has been dependant on reducing LAC numbers. Although LAC numbers are falling, the profile spend of those remaining in care is at the higher end due to their more complex needs, and higher cost placements.

The pressures that the department are facing manifest themselves in increased placement cost. However they can be explained as either the result of case law requiring changes in our level of provision e.g. the Southwark judgement that establishes the level of support including access to Leaving Care services that young people who are needed to be housed under this provisions are entitled to; or changes in the role of the Corporate Parent, as determined by the Coalition Government but for which the level of additional

funding provided does not equal the cost of the additional liability that the Council is incurring. This additional pressure is contrary to the New Burdens doctrine whereby the Government is expected to provide additional funding equivalent to the level of liability incurred by local authorities.

The areas where there are particular pressures are as follows:

- Southwark Judgement
- No recourse to public funds
- Secure Remand Increase
- Increase in Education costs for Looked After Children over 21
- Staying Put
- 18+ CWD not meeting ASC criteria
- Increasing Adoption and Special Guardianship Arrangements

Significant pressures remain around Southwark judgement, no recourse to public funds and secure remand cases, which present pressures that may not be able to be contained within Children's Services budget.

Council Interim Budget Savings 2014-15	Savings £000's	On Target	Notes
Children's Services			
The Tri-borough Children's Services has been successful in achieving a 'payment by results' bonus of £200,000 from its Troubled Families programme in H&F	(200)		CHS currently hold the PBR received on the balance sheet. The in year saving of £200k will be met from the reserve
Further savings have been found arising from the corporate allocation of Dedicated Schools Grant that can reduce net spend in 2014/15 by £200,000	(200)		Appropriate expenditure will be identified to maximise the use of DSG effectively.
Other external funding has also been identified that offsets costs of £39,000	(39)		
Children's Services Total	(439)		

APPENDIX 3a: UNACCOMPANIED ASYLUM SEEKING CHILDREN

BUDGET REVENUE MONITORING REPORT – PERIOD 7

1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6
	£000s	£000s	£000s
Unaccompanied Asylum Seeking Children	1,013	198	115
Total	1,013	198	115

2. Variance Analysis with Action Plans to Address Forecast Overspends/(Underspends)

Departmental Division	Variance £000s	Explanation & Action Plans
Unaccompanied Asylum Seeking Children	198	Grant for Asylum Seeking Children & UASC leaving care has not increased in the last 2 years & accommodation costs and support costs have risen beyond inflation
Total	198	

Table 3: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Cost of supporting asylum seeking children continue to increase.	100	200
Total		

4. Comments from the Executive Director

The grant for asylum seeking children and UASC leaving care has not increased for the last 2 years however accommodation and support costs have risen beyond inflation. There is therefore a risk that an overspend will arise if accommodation costs cannot be reduced.

APPENDIX 4: ENVIRONMENT, LEISURE & RESIDENTS SERVICES**BUDGET REVENUE MONITORING REPORT – PERIOD 7****1. Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6
	£000s	£000s	£000s
Cleaner, Greener & Cultural Services	21,267	(334)	(326)
Safer Neighbourhoods	9,056	386	444
Customer & Business Development	875	(38)	(37)
Director & Resources	316	115	111
Total	31,514	129	192

2. Variance Analysis with Action Plans to Address Forecast Overspends

Division	Variance £000s	Explanation & Action Plans
CCGS – Waste disposal	(364)	The boroughs negotiated a better unit cost of recycle this year which has reduced costs significantly. This is partly offset by the increasing waste tonnages overall. Like other London Boroughs, more expensive general waste tonnages are increasing whilst cheaper recycling tonnages are decreasing. This is compounded by reduced income from the sale of recycle as market commodity prices are decreasing. Some monthly general waste tonnages this year have been 11% more than the same month last year, demonstrating the volatility of waste disposal. The current forecast is based on year to date average increases but if the trend continues at the upper growth level, current year costs will increase by £272k. A more detailed analysis of the Waste Authority costs was presented to PAC in September with an update to follow in November.
CGCS – Street Scene Enforcement	38	The council always prosecutes those who do not pay Fixed Penalty Notices (FPNs) which has added a £19k pressure on the legal budgets this year. FPN income has also reduced year on year (£23k year to date compared to £39k for the same period last year). This is mostly due to decreased littering in the borough's transport hubs, which has a positive impact on the overall street scene but at the same time gives rise to a £16k income pressure. FPNs are used to achieve compliance in an area of enforcement and so the service is assessing how to manage these pressures going forward. Options were discussed with the lead cabinet member in October, with a subsequent discussion due to Officer Briefing Board in November.
SND - Coroners and Mortuary	35	A continued reduction in corporate overheads has resulted in lower income from partner boroughs, causing an ongoing budget pressure of £89k. This will be permanently resolved through budget growth from 2015/16. The current year pressure is partially offset by one off underspends arising from actual spend being less than accrued this year.

Division	Variance £000s	Explanation & Action Plans
SND - Transport	264	As previously reported, reductions in the council's vehicle fleet over a number of years has resulted in a significant recharge income pressure. Across all departments, as vehicle requirements have reduced, services have included gross savings in their budget plans rather than net savings after accounting for the loss of recharge income for the Transport service. The department has been working hard to reduce the budget gap this year by targeting new business. However, despite best efforts to secure new business, negotiations with the only potential high value customer have now fallen through and a comprehensive review of the market has concluded that the potential for alternative income generating business is extremely limited. The department is working through options to correct the historic budget gap from existing ELRS budgets as far as possible but given the scale of the ongoing budget gap, a request for additional corporate support may be required (£100k is already included in the existing growth proposals for 2015/16). The ongoing budget pressure for the transport service is in the region of £400k, which is mitigated this year through drawing down the balance on the transport reserve (£100k) and some additional one off income that mostly relates to last year (£36k).
Customer & Business Develop- ment	48	There is a forecast shortfall in the non-guaranteed income element of the new underground duct asset concession contract. Officers continue to work closely with the contractor to realise the full £140k income target and will be rigorously reviewing and challenging the contractor's sales and marketing plan at the next project board meeting. Early sales strategies include working with Registered Social Landlords as a way of piloting digital social inclusion, providing connections to a major broadband provider (allowing them to rollout broadband that does not require a landline), building links with the borough's football clubs (one of whom has already placed an order for broadband services) and exploring opportunities from hosting a digital conference in Winter 2014/15. Opportunities for broadband expansion into council owned dwellings will be discussed with members in November. The aim is to recover the shortfall by year end.

Division	Variance £000s	Explanation & Action Plans
Director & Res. – People portfolio savings	118	Only £6k of the £124k people portfolio savings target is forecast to be achieved, which is less than the £57k achieved last year due to interns reaching the end of their internship and being appointed into permanent roles. A corporate review of targets and actual performance at quarter 2 has concluded that targets will not be realigned this year, but will be monitored and reviewed again at quarter 3. Targets for 2015/16 will also be revised and allocated on a more equitable basis. Given the increasing waste disposal costs, ELRS is not expected to be able to offset this pressure within the department and will be looking for any shortfall to be met corporately.
Other	(10)	Other smaller underspends
Total	129	

Table 3: Key Risks

Risk Description	Lower Limit £000	Upper Limit £000
Risk of increased waste disposal and contamination tonnages	(500)	0
Risk that Transport income shortfall cannot be absorbed	0	400
Total	(500)	400

Table 4: MTFS Progress (with explanations of schemes at red status)

Department	2014/2015 MTFS Target	On Track (Green)	In Progress (Amber)	Delayed/ At Risk (Red)
	£000s	£000s	£000s	£000s
ELRS Department	(1,105)	(865)	(189)	(51)

Red risks - There is a forecast pressure on the ducting contract (£140k target against which guaranteed income of £89k is predicted).

5. Comments from the Executive Director

The department is forecasting a £129k overspend due mostly to limited scope for achieving the people portfolio savings target in full (£118k shortfall). ELRS is committed to maximising savings through the use of interns, but following a significant programme of restructure flowing from the bi-borough service reviews, there are very few vacancies and so limited opportunity to engage interns or achieve a 10% saving on vacant PO posts. Current year targets and performance are now being closely monitored and reported to Transformation Board. It is expected that any shortfall against this transformational target will be met corporately before year end, as agreed when the savings were allocated to departments. Given that there is no potential for realigning this corporate savings target within the department without adversely impacting on front line services, if the people portfolio targets are not revised this year, ELRS will end the year with a net overspend.

APPENDIX 5: FINANCE AND CORPORATE SERVICES**BUDGET REVENUE MONITORING REPORT – PERIOD 7****1. Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6
	£000s	£000s	£000s
H&F Direct	19,186	100	76
Innovation & Change Management	(188)	(70)	(70)
Legal Democratic Services	(1,256)	(50)	(40)
Third Sector, Strategy & Communications	1,141	28	70
Finance & Audit	386	0	0
Procurement & IT Strategy	(2,393)	(157)	(157)
Executive Services	(732)	(50)	(50)
Human Resources	691	(205)	(110)
Other	0	0	0
Total	16,835	(404)	(281)
Less - Interim Budget Savings Reported to Full Council 23rd July 2014		206	206
Variance post Interim Savings		(198)	(75)

2.Variance Analysis with Action Plans to Address Forecast Overspends/(Underspends)

Departmental Division	Variance £000s	Explanation & Action Plans
H&F Direct	100	There has been additional use of temporary staff to support an improved Housing Benefits return position.
Third Sector, Strategy & Communications	28	The overspend in this area has reduced as the service plans to achieve increased income from advertising through lamp post banners and the website.
Procurement & IT Strategy	(157)	This variance is consistent with month 6.
Human Resources	(205)	It is anticipated that Corporate HR will have a £205K underspend, due to keeping posts vacant ahead of the Managed Services Programme.
Other	36	
Total	(198)	

In addition to the variances shown in Tables 1 and 2, there is further income of £600k which is due to H&F Direct in 2014-15 as a result of the decommissioning of the Lagan Customer Relationship Management system.

The Lagan system has not been used since 2012/13, and an MTFs saving was taken from H&F Direct's base budget that year to reflect its decommissioning. However, this process has only been finalised by HFBP in

2014/15, and as a result H&F Direct have still been charged for this system since 2012/13.

HFBP are now giving H&F Direct a refund of the charges since 2012/13, which will total £600k in 2014/15. Further credits of £190,000 and £95,000 will also be due in 2015/16 and 2016/17 respectively, until the end of the HFBP contract in October 2016. However, as the MTFs saving has already been taken for this system, there are no further base budget adjustments to be made.

It is proposed that the 2014/15 refund is used to meet in year H&F Direct spend pressures, with the remainder being transferred to the Housing Benefits Reserve to support future developments and improvements in the service.

Table 3: Key Risks

None to report

Table 4: MTFs Progress (with explanations of schemes at red status)

Department	2014/2015 MTFs Target	On Track (Green)	In Progress (Amber)	Delayed/ At Risk (Red)
	£000s	£000s	£000s	£000s
Finance & Corporate Services	(2,192)	(2,192)	0	0

5. Comments from the Director

Council Interim Budget Savings 2014-15	Savings £000's	On Target	Notes
Finance and Corporate Services			
General Fund savings from reduction in Communications activity.	(156)	Yes	
Human Resources Team have identified an on-going saving starting in 2014/15 of £50,000 from the reduction of a post	(50)	Yes	
Finance and Corporate Services Total	(206)		

The FCS underspend has increased further due to higher vacancies and commercial income than was previously expected.

It is requested that H&F Direct are allowed to use the £600k in-year HFBP refund for the decommissioning of Lagan, to support the service through covering 2014/15 spend pressures with the balance being moved to the Housing Benefit Reserve.

APPENDIX 6: HOUSING & REGENERATION DEPARTMENT**BUDGET REVENUE MONITORING REPORT – PERIOD 7****1. Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6
	£000s	£000s	£000s
Housing Options, Skills & Economic Development	7,958	(683)	(653)
Housing Strategy & Regeneration	4	0	0
Housing Services	40	0	0
Finance & Resources	(103)	23	23
Total	7,899	(660)	(630)
Interim Budget Savings Reported to Full Council 23rd July 2014		34	34
Variance post Interim Savings		(626)	(596)

2. Variance Analysis with Action Plans to Address Forecast Overspends/(underspends)

Departmental Division	Variance £000s	Explanation & Action Plans
Housing Options, Skills & Economic Development	(683)	<p>This relates mainly to a forecast reduction in the net costs of Bed and Breakfast (B&B) accommodation of (£557k) due to a reduction in average client numbers from a budgeted figure of 275 to a forecast of 115. Additionally, the net costs of Private Sector Leasing (PSL) accommodation are expected to reduce by (£529k) due to a fall in the average number of units from a budgeted figure of 853 to a forecast of 668 and a reduction in the increase to the bad debt provision required due to an improvement in the collection rate (from a budgeted figure of 89.0% to a forecast of 95.0%).</p> <p>This is offset by a shortfall in income and increased costs on the business incubator units at Sullivan, Townmead and the BBC units of £188k. Additionally, it is proposed to utilise £223k of the temporary accommodation underspend to fund the first five months of a package of incentive payments to landlords associated with the Council's temporary accommodation portfolio which was originally budgeted to come from corporate contingencies. Note that forecast incentive payments payable over the remaining seven months of the year of £257k will be funded from internal departmental reserves. Other minor variances of (£8k) are also predicted.</p>
Housing Strategy & Regeneration	0	

Departmental Division	Variance £000s	Explanation & Action Plans
Housing Services	0	
Finance & Resources	23	
Total	(660)	

Table 3: Key Risks

None to report.

Table 4: MTFS Progress (with explanations of schemes at red status)

Department	2014/2015 MTFS Target	On Track (Green)	In Progress (Amber)	Delayed/ At Risk (Red)
	£000s	£000s	£000s	£000s
Housing & Regeneration	(750)	(750)		

5. Comments from the Executive Director

The Housing and Regeneration department currently expects the overall outturn for the year 2014/15 to produce a favourable variance of (£626k), a favourable movement of (£30k) since CRM 6. The main reasons for this are set out in Table 2 above. It is anticipated that any underspend at year-end will be set aside in an earmarked reserve to address future risks around temporary accommodation and homelessness.

The main reason for the movement relates to a reduction in the net costs of Private Sector Leasing (PSL) accommodation of (£47k) following an increase in the forecast average number of units from 646 to 668. Other minor movements of £17k are forecast.

Officers are currently investigating options to mitigate against the overspend of £188k on the business incubator units at Sullivan and Townmead and the BBC units, and this will be reported via the CRM in due course.

Council Interim Budget Savings 2014/15

On 23rd of July 2014 Cabinet approved the following additional savings targets which officers are working to achieve. This is included in the forecast variance reported above.

	Savings £000s	On Target	Notes
Housing & Regeneration			
HRD officers have identified £34,000 of savings originally proposed for 2015/16 that they have been asked to bring forward	(34)	(34)	
HRD Total	(34)	(34)	

APPENDIX 7: LIBRARY SERVICES (Tri-Borough)**BUDGET REVENUE MONITORING REPORT – PERIOD 7****1. Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6
	£000s	£000s	£000s
Tri-borough Libraries & Archives Service	3,214	(30)	(30)
Total	3,214	(30)	(30)
Interim Budget Savings Reported to Full Council on 23 rd July 2014		30	30
Variance post Interim Savings		0	0

2.Variance Analysis with Action Plans to Address Forecast Overspends/(Underspends)

No significant variances to report. See Director's comments for explanation of achievement of interim savings target.

Table 3: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Income from customer fees and charges	0	40
Premises and utility costs including Westfield	10	30
Total	10	70

Table 4: MTFS Progress (with explanations of schemes at red status)

Department	2014/2015 MTFS Target	On Track (Green)	In Progress (Amber)	Delayed/ At Risk (Red)
	£000s	£000s	£000s	£000s
Tri-borough Libraries & Archives	(100)	(100)	0	0

5. Comments from the Director

At this stage in the year no significant financial issues causing an unmitigated pressure are foreseen. However areas of risk include income from fees due to reduced public borrowing of DVDs and CDs as the use of online services increases. Room and space hire opportunities are being reviewed as a means to mitigate these pressures over the longer term. Rising utility costs across all premises may cause pressures.

Both the original budget savings target for 2014/15 (£100k) and the interim savings target (£30k) have been achieved. The table below summarises the position on the interim budget savings:

Council Interim Budget Savings 2014-15	Savings £000's	On Target	Notes
Tri-Borough Libraries			
The Tri-borough Library Service has identified that due to the increase in demand for eBooks it can release £30,000 from its book stock budget	(30)	Yes	Book fund commitment has been released so this interim saving has been achieved.
Tri-Borough Libraries Total	(30)		

APPENDIX 8: PUBLIC HEALTH SERVICES**1. Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6
	£000s	£000s	£000s
Sexual Health	6,978	(75)	(75)
Substance Misuse	5,464	(14)	(1)
Behaviour Change	2,110	(212)	(197)
Intelligence and Social Determinants	40	1	1
Families and Children Services	2,608	(195)	(191)
Childhood Obesity project	0	100	100
Public Health Investment Fund	0	1,902	1,902
Future Public Health Investment Funding	0	718	686
Substance Misuse – Grant, Salaries and Overheads	(5,470)	0	0
Public Health – Grant, Salaries and Overheads	(11,384)	(2,571)	(2,571)
Total	346	(346)	(346)

2. Variance Analysis with Action Plans to Address Forecast Overspends/ (Underspend)

Departmental Division	Variance £000s	Explanation & Action Plans
Sexual Health	(75)	Forecast adjusted to reflect final CLCH contract values & revised forecast for condom distribution and HIV prevention.
Substance Misuse	(14)	Over provision of 13/14 residential placements and “Education, Training and Employment (ETE) Lead” budget correction.
Behaviour Change	(212)	Change in forecast due to; <ul style="list-style-type: none"> • £86K over provision for 2013/14 Health Checks • £37K estimated under-spend in 2014/15 on Health Checks • £24K estimated under-spend in 2014/15 for Smoking Cessation • £46K under-spend in 14/15 Health Trainers • £19K under-spend in 14/15 Community Champions
Intelligence and Social Determinants	1	One-off contribution to Airtex, not in the original budget.

Departmental Division	Variance £000s	Explanation & Action Plans
Families and Children Services	(195)	The re-commissioning of the obesity prevention service, as part of the childhood obesity programme, has been rescheduled to April 2015, saving this year's budget £183K. The remaining £12K is the expected under-spend for dental health.
Childhood Obesity project	100	Allowance for the new Childhood Obesity project.
Public Health Investment Fund (PHIF)	1,902	Earmarked funds for Public Health investment in other Council Departments.
Future Public Health Investment funding	718	Unallocated budget and identified savings required to be earmarked to meet future Public Health Investment Fund spend.
Public Health – Grant, Salaries and Overheads	(2,571)	This represents the net movement of the above identified variances and the allocation of funds unallocated in the budget.
Total:	(346)	

Table 3: Key Risks

Risk Description:	Lower Limit	Upper Limit
	£000s	£000s
PCT Legacy invoices – low risk. Dispute over ownership of liability (and corresponding NHS funding)	0	244
Total	0	244

Table 4: MTFS Progress (with explanations of schemes at red status)

None to report.

5. Comments from the Director

It is currently expected that there will be no net General Fund spend as there is sufficient Public Health Grant to meet all existing and expected commitments.

Included within the Public Health budget are unallocated funds of £2.2M. Of this, £1.9M has been earmarked for Public Health Investment Fund projects (subject to Cabinet approval) and £0.1M for Childhood Obesity. The remaining amount of £718K (including savings identified above) will be required to fund PHIF projects in future years and will be carried forward for this purpose.

APPENDIX 9: TRANSPORT AND TECHNICAL SERVICES**BUDGET REVENUE MONITORING REPORT – PERIOD 7****1. Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6
	£000s	£000s	£000s
Building & Property Management (BPM)	(1,367)	(258)	(352)
Transport & Highways	11,807	137	160
Planning	2,846	(238)	(184)
Environmental Health	3,331	1	(1)
Support Services	(584)	260	263
Total	16,033	(98)	(112)

2. Variance Analysis (include Action Plans to Address Forecast Overspends)

Departmental Division	Variance £000s	Explanation & Action Plans
Advertising Hoardings	(152)	The favourable variance is due to the over achievement of advertising income against budget. However September 2014 did see lower income compared with the same month last year.
Valuation Services	59	The property disposal section is at risk of overspending by £100k due to property disposals costs exceeding the permitted charge against estimated capital receipts. This is offset by a forecast underspend £41k in Valuation Services.
Facilities Management	32	Refunds for underperformance on the TFM contract are expected from Amey but will not be included in the forecast until confirmed. The variance includes £150k which relates to 2013/14. There are underspends in the EC Harris contract and in carbon reduction.
Civic Accommodation	(119)	The favourable variance is mainly due to a combination of additional rental income and underspends in utilities.
Sections within Building & Property Management	(78)	Building Control is favourable by £41k due to additional income from large building schemes. There is also additional commercial rental income, creating a favourable variance of £20k and an underspend of £17k in other sections within Building & Property Management.
Total - BPM	(258)	
Transport and Highways	137	The unfavourable variance represents the non-achievement of a MTFs income target of £250k for advertising on pavements. This has been addressed in the MTFs proposals for 15/16. The unfavourable variance has been offset by additional recharge income from the Highways Maintenance Group and Survey Projects sections.

Planning	(238)	The forecast underspend is due to higher levels of income recovered from external planning projects and a favourable movement due to a revised projection for Earls Court and Bechtel House.
Environmental Health	1	
Support Services	260	This reflects the MTFs People Portfolio savings target. This budget pressure has been addressed in the 15/16 TTS Budget estimates proposals.
Total:	(98)	Favourable

Table 3: Key Risks

Risk Description	Lower Limit £000s	Upper Limit £000s
If the Licensing Fee increases included as an MTFs saving are not approved after national consultation initiated by the Home Office.	0	40
If the historic costs already incurred to dispose of HRA assets cannot be met from disposal proceeds this would need to be funded from Corporate Reserves.	0	250
Delays in co-locating Environment Health as a Bi Borough service to a single location.	0	40
Total	0	330

Table 4: MTFs Progress (with explanations of schemes at red status)

Department	2013/2014 MTFS Target	On Track (Green)	In Progress (Amber)	Delayed/ At Risk (Red)
	£000s	£000s	£000s	£000s
Transport & Technical Services	(2,725)	(2,150)	(245)	(330)

Currently there are three schemes on red status:

- Planned increases in Licensing fee income of £40k which is subject to consultation and yet to be confirmed.
- Bi-borough service review savings reduced by delays in co-location £40k.
- Plans for advertising on Pavements generating income of £250k cannot be progressed due to lack of demand.

5. Comments from the Executive Director

The overall position is a favourable variance of £98k against a net budget of £16,033k. The key risks to the 2014/15 budget are set out in Table 3 above.

Progress in all budget areas will continue to be monitored closely by the Executive Director and the management team who will exercise the necessary financial controls to ensure that the department achieves its overall target by the year-end.

APPENDIX 9a: CONTROLLED PARKING ACCOUNTS (CPA)**1. Variance by Activity Area**

Activity Area	Revised Budget	Variance Month 7	Variance Month 6
	£000s	£000s	£000s
Pay & Display (P&D)	(12,613)	492	453
Permits	(4,690)	125	104
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(6,814)	(144)	(109)
Bus Lane PCN	(915)	40	33
Closed Circuit Television (CCTV) PCN	(616)	(606)	(630)
Moving Traffic PCN's	(5,814)	(232)	(422)
Parking Bay Suspensions	(1,530)	(2,083)	(1,860)
Towaways / Removals	(352)	41	37
Expenditure and Other Receipts	13,053	99	(156)
Total	(20,291)	(2,268)	(2,550)

2. Variance Analysis (include Action Plans to Address Forecast Overspends)

Activity Area	Variance £000s	Explanation & Action Plans
Pay & Display	492	The forecast variance compares with the previous year's adverse outturn variance of £329k. There are seasonal variations in the cash collected from pay and display machines which may be causing the variance compared to last year. Pay and Display receipts will be monitored closely for the rest of the year.
Permits	125	A reduction in the receipts over the first 6 months of 2014-15 has resulted in a forecast lower than budget.
CEO Issued PCN	(144)	CEO issued PCNs have been forecast at a similar level as in 2013-14, but the recovery rate has improved, resulting in an improved forecast
Bus Lane PCN	40	Bus Lane PCNs have been forecast at a similar level as in 2013-14.
CCTV PCN	(606)	CCTV parking PCNs have been forecast to continue at a similar level as in 2013-14.
Moving Traffic PCN's	(232)	The forecast PCN issue number is lower than the previous year, but the recovery rate has been improved. This has resulted in a similar forecast outturn to 2013-14.
Parking Bay Suspensions	(2,083)	Parking bay suspensions receipts have continued at a higher than budgeted level following the change in pricing structure in 2013-14 and an increase in the volume of suspensions requested, including an increase in longer term suspension requests.
Towaways / Removals	41	The unfavourable variance is due to a shortfall in receipts from fines of (£315k) compared to a budget of (£352k).
Expenditure and Other Receipts	99	A delay in the introduction of IT requirements has caused a delay in the co-location and the full implementation of the new Bi-borough staffing structure for the Parking Office, creating a £250k overspend in parking office staffing.

Activity Area	Variance £000s	Explanation & Action Plans
		<p>There are also overspends in postage and delivery costs of £46k and debt registration costs of £56k.</p> <p>This is offset by an underspend in parking enforcement staffing of £203k and budgets of £100k for a CCTV enforcement vehicle and £100k for IT that are not expected to be used.</p> <p>There is also a £111k underspend expected on the P&D machine maintenance contract.</p> <p>An additional £48k spend has been forecast to cover the cost of new IT systems, and £24k for a new telephone system.</p>
Total	(2,268)	

Table 3: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Changes in legislation around CCTV parking enforcement	0	500
Total	0	500

4. Comments from the Executive Director

The TTS Parking department is forecasting a favourable variance of £2,268k against a net budget of (£20,291k). Activity is broadly assumed to be in line with the previous year, but with an improvement in the payment rate for penalty charge notices and increases in the number and value of parking bay suspensions. Parking suspensions are running well ahead of budget including some longer term suspensions that started in 2013/14 but which extend into 2014/15

APPENDIX 10: HOUSING REVENUE ACCOUNT**BUDGET REVENUE MONITORING REPORT – PERIOD 7****1. Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6
	£000s	£000s	£000s
Finance and Resources	14,552	(1,182)	(182)
Housing Services	9,370	(120)	(215)
Commissioning and Quality Assurance	4,090	(103)	(103)
Property Services	2,077	(6)	(6)
Housing Repairs	13,359	204	0
Housing Income	(75,698)	81	54
Housing Options	400	(53)	(53)
HRA Central Costs	0	0	0
Adult Social Care	48	0	0
Regeneration	331	45	45
Safer Neighbourhoods	577	0	0
Housing Capital	27,864	0	0
(Contribution to)/ Appropriation From HRA General Reserve	(3,030)	(1,134)	(460)

2.Variance Analysis with Action Plans to Address Forecast Overspends/(Underspends)

Departmental Division	Variance £000s	Explanation & Action Plans
Finance and Resources	(1,182)	This mainly relates to the release of a (£1m) budgetary provision relating to the legal challenge from Willmott Dixon Partnerships (a full explanation is included in the Director's Comments to this report). Additionally, other underspends are forecast on past service pension costs (£52k), redundancy costs (£50k), remote access and filestore charges (£50k), council tax on void properties (£28k), and other minor variances (£2k).
Housing Services	(120)	Underspends are forecast on legal costs (£110k), salaries (£102k) and other running costs (£3k) offset by an overspend on trade waste recharges of £95k
Commissioning and Quality Assurance	(103)	Underspends are forecast on salaries (£13k), decant and management transfers (£80k) and legal costs (£10k).
Housing Repairs	204	Overspends are forecast on MITIE mobilisation costs £72k, MITIE contract costs (Out Of Scope work £143k, Price per Property/Block £58k and Voids £20k);

Departmental Division	Variance £000s	Explanation & Action Plans
		rechargeable income is forecast to be £67k less than budgeted. This is offset by an underspend on work undertaken by other contractors of (£156k).
Other	67	There are no other individual divisional variances greater than £100k/(£100k).
Total	(1,134)	

Table 3: Key Risks

Risk Description	Lower Limit £000s	Upper Limit £000s
Housing Development Programme: if the Council's housing development projects progress in accordance with approved plans, then the associated costs will be capitalised. However, if projects do not progress, there is a lack of certainty around plans at the year end, or a different construction method is used, then an element of the costs incurred will need to be written off to revenue.	250	1,389
Strategic Regeneration: the latest forecasts indicate that there are emerging cost pressures associated with the operational management of the Regeneration function. Officers are currently reviewing the position with a view to identifying savings to eliminate this risk.	0	44
Total	250	1,433

Table 4: MTFs Progress (with explanations of schemes at red status)

Department	2014/2015 MTFs Target	On Track (Green)	In Progress (Amber)	Delayed/ At Risk (Red)
	£000s	£000s	£000s	£000s
Housing Revenue Account	3,299	3,299	0	0

Table 5 HRA General Reserve

	B/Fwd	Budgeted (Contribution to) /Appropriation from General Reserve	HRA Variance (Surplus)/ Deficit	Forecast C/F
	£000s	£000s	£000s	£000s
HRA General Reserve	(7,494)	(3,030)	(1,134)	(11,658)


6. Comments from the Executive Director

The Housing Revenue Account currently forecasts an under-spend of (£1,134k) for 2014/15, a favourable movement of (£674k) from the CRM 6 position. The movement relates mainly to the following:

- Finance & Resources: the release of a (£1m) budgetary provision relating to the challenge from Willmott Dixon Partnerships,
- Housing Services: the adverse change of £95k reflects the confirmation of the trade waste charge overspend, previously reported as a risk,
- Housing Income: an increase in the bad debt provision for commercial properties of £93k is offset by a number of small favourable movements across various budgets (£66k),
- Housing Repairs: a newly reported overspend of £204k has resulted following the latest detailed review of actual expenditure to date. This has primarily arisen from legacy work remaining from the previous repairs contracts, increased demand for roof works and fencing repairs arising from adverse weather conditions earlier this year and a larger volume of work arising from planned and unplanned Estate inspections. The £20k overspend of Voids is due to the change in the strategy for Void Disposals.

The Council received a challenge from Willmott Dixon Partnerships in relation to a procurement process. In September 2013, the stay which had prevented the Council from signing the proposed new Repairs and Maintenance contract with MITIE was lifted and this contract is now signed. A court hearing of the challenge to the procurement process took place in July 2014 and the Council was informed in October 2014 that the hearing found in favour of the Council and ordered that Willmott Dixon pay the Council's costs. Following the expiry of a further period during which Willmott Dixon were able to appeal, the Council is now able to release a provision of £1m to revenue. The Council will now be progressing the recovery of its legal costs and this will be reported on in due course.

Agenda Item 8

 hammersmith & fulham	London Borough of Hammersmith & Fulham CABINET 5 JANUARY 2015
SUBSCRIPTIONS/AFFILIATIONS FOR EXTERNAL ORGANISATIONS 2015/16	
Report of the Cabinet Member for Finance : Councillor Max Schmid	
Open Report	
Classification - For Decision Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Jane West – Executive Director of Finance and Corporate Governance	
Report Author: Gary Ironmonger, Finance Manager Revenue Monitoring	Contact Details: Gary Ironmonger Tel: 020 (8753 2109) E-mail: gary.ironmonger@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The subscription to London Councils for 2015/16 is £167,473 a reduction of £4,954 since 2014/15. In 2015/16 participating Councils will receive a one off rebate of £25,000 funded from the London Councils uncommitted Joint Committee reserve giving a total cost to the council of £142,473.
- 1.2. The borough contribution to the London Boroughs Grant Scheme for 2015/16 is £191,078 (a reduction of £3,808 compared to 2014/15).
- 1.3. The subscription to the Local Government Association for 2015/16 has been frozen and remains £26,577. This fee includes 2.5% prompt payment discount and 2.5% loyalty discount for not being on notice of withdrawal.

2. RECOMMENDATIONS

- 2.1. That the subscription to the Local Government Association for 2015/16 of £26,577 be approved.

- 2.2. That the 2015/16 contribution of £191,078 to the London Boroughs Grant Scheme be approved.
- 2.3. That the subscription of £167,473 (£142,473 net of one off rebate) for 2015/16 to London Councils be approved.

3. REASONS FOR DECISION

- 3.1. A decision is required in order to continue membership of the London Councils and Local Government Association organisations in 2015/16 and contribute to the London Boroughs Grant scheme.

4. INTRODUCTION AND BACKGROUND

- 4.1. This report deals with the major corporate subscriptions/affiliations whose funding is included in the Finance and Corporate Services' estimates. Other departments carry out a similar exercise, reported separately to Committee or dealt with under delegated authority in the case of small subscriptions.

5. PROPOSAL AND ISSUES

- 5.1. Approval is being sought for the renewal of the subscription to London Councils and the Local Government Association for 2015/16 and the London Boroughs Grant Scheme for 2015/16 as detailed Appendices 1a and 1b.
- 5.2. The Local Government Association subscription for 2015/16 after discounts for prompt payment and a loyalty discount for not being on notice of withdrawal is £26,577. This subscription has been frozen at the 2013/14 level and has reduced by 45% since 2009/10 (Appendix 1a)
- 5.3. The 2015/16 subscription for London Councils is £167,473. In 2015/16, there will be a one off reduction of £25,000 funded from London Council joint committee reserves reducing the payment due to £142,473 (Appendix 1a).
- 5.4. The total cost of the London Boroughs Grant Scheme has been held at £9m for 2015/16 and the LBHF contribution is £191,078. The cost to individual boroughs is calculated using ONS population data as at June 2013 which results in a small reduction of £3,803 in the LBHF contribution to the grant scheme.
- 5.5. The benefits of continuing membership of these organisations is contained in Appendix 2.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. The rationale for continuing the subscriptions to London Councils and the Local Government Association are based on the benefits of continuing membership of these organisations as expanded on in Appendix 2.

7. LEGAL IMPLICATIONS

- 7.1. The Council has the necessary powers to subscribe to the organisations listed.

8. FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1. There is sufficient provision within the proposed 2014/15 Corporate Budget to meet the cost of the proposed subscriptions to London Councils and the LGA. There is sufficient funding within the Third Sector Investment Funding budget to meet the cost of the London Boroughs Grant Scheme payment in 2015/16.
- 8.2. A contribution of £5,000 will be made from the Housing Revenue Account towards the London Councils subscription. This is to reflect the housing work undertaken by London Councils.
- 8.3. Implications completed by: Gary Ironmonger.

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.	Correspondence from Local Government Association and London Councils in relation to subscription renewals	Gary Ironmonger (2109)	FCS, HTH

APPENDIX 1a

<u>ORGANISATION</u>		<u>SUBSCRIPTIONS</u> <u>2015/2016</u>	<u>SUBSCRIPTIONS</u> <u>2014/2015</u>
1	London Councils Base- for the joint committee core and associated functions.	£158,255	£166,664
2	London Councils - Central bodies (LGE Grant).	£3,763	£3,763
3	London Councils – 16-19 RPG Regional Activities.	£5,455	£2,000
	London Councils Subscription	£167,473	£172,427
4	London Councils – 2015/16 one off credit (funded from uncommitted Joint Committee reserve).	£(25,000)	£(10,000)
	London Councils – Sub Total	£142,473	£162,427
5	Local Government Association (<i>including AMA rent credit - see appendix 2</i>).	£26,577	£26,577
	TOTAL	£169,050	£189,004

Appendix 1b

	2015/16 Contribution (£)	2014/15 Contribution (£)
LBHF Contribution to the London Boroughs Grant Scheme	£191,078	£194,822

APPENDIX 2

DETAILS OF SUBSCRIPTION/AFFILIATION ORGANISATIONS

1. LONDON COUNCILS

London Councils is the local government association for London, bringing together representatives of the 32 London Boroughs and the Corporation of London. It develops policy, lobbies government and others, and runs a range of services including the Freedom Pass, the Taxicard Scheme, the London Lorry Control Scheme and the Parking and Traffic Appeals Service.

2. LONDON COUNCILS - LOCAL GOVERNMENT EMPLOYERS ORGANISATION (CENTRAL BODIES)

The Local Government Employers was created by the Local Government Association and works with local authorities, regional employers and other bodies to lead and create solutions on pay, pensions and the employment contract.

3. LOCAL GOVERNMENT ASSOCIATION

The Local Government Association (LGA) promotes the interests of English and Welsh local authorities.

The LGA exists to promote better local government and is a voluntary lobbying organisation.




In addition to representing various local government authorities it also represents fire authorities, police authorities, national park authorities and passenger transport authorities.

In the past 12 months the LGA has worked with local authorities to secure maximum funding for Local Government in a number of areas including work on a landfill tax freeze for 2015/16, savings from public Sector Auditor Appointments and devolution of £50m of Youth Contract underspend for councils to run local youth employment initiatives. The LGA also provides support to help councils and councillors develop and improve.

Explanation of the AMA rental/finance credit from the LGA - The annual LGA membership subscription of each former member of the Association of Metropolitan Authorities (AMA), which previously contributed to the purchase of the AMA's former offices at 35 Great Smith Street, is adjusted each year by a rental/finance credit. Before the LGA moved to Local Government House in Smith Square, it used the offices at 35 Great Smith Street and the rental credit represented an individual authority's share of the rent that was due to the AMA (Properties) Limited. The building was sold in 1999 and the proceeds of £6.2 million were invested in Local Government House in the form of a loan. Each (finance) credit (initially £6,000) now represents interest payable on the loan. The credit is reviewed every five years and adjusted with the Retail Price Index (RPI). The credit is currently £7,965.

Agenda Item 9

Tri-Borough Executive 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: 5 January 2015 Forward Plan reference n/a	
	Cabinet Member for Community Safety, IT and Corporate Services – Cllr Gardner Date of decision: not before xx xx 2014 Forward Plan reference: KDR04401/14/C/AB	
	Cabinet Member for Finance, Corporate and Customer Services - Cllr Caplan Date of decision: xx xx 2014 Forward Plan reference: n/a	
Report title (decision subject)	PROCUREMENT OF INFORMATION TECHNOLOGY AND COMMUNICATIONS SERVICES TO SUPPORT IT SHARED SERVICES	
Reporting officer	Jane West, Executive Director, Finance & Corporate Governance, the London Borough of Hammersmith & Fulham Nicholas Holgate, Chief Executive and Town Clerk, Royal Borough of Kensington and Chelsea Charlie Parker, Chief Executive, Westminster City Council	
Key decision	Yes	
Access to information classification	<i>Open report:</i> <i>A separate report on the exempt part of the Cabinet agenda provides exempt information about costs, savings, existing contracts. TUPE matters and risks.</i>	
Cabinet Member or senior officer sign-off details	<i>The LBHF Cabinet Member has approved this report for Cabinet.</i>	

1. EXECUTIVE SUMMARY

- 1.1 This report seeks Cabinet approval for the procurement strategy and approach for information technology and communications (voice and data network) services in line with the current IT strategy. This includes data network connectivity and services within and between buildings, and both fixed and mobile telephony services as well as exploiting the full use of unified communications such as video conferencing, instant messaging, staff presence and availability.
- 1.2 LBHF Cabinet and RBKC and WCC Cabinet Member approval is also sought for £330,000 to fund the procurement process.
- 1.3 User feedback consistently highlights the need for more integrated technology solutions. This procurement will ultimately resolve issues where ASC and Children's, particularly, have the unnecessary overhead of using three different communications services within their one integrated service.
- 1.4 This programme will effect cost reduction within IT services leading to savings in frontline services. It will thus act as a key enabler for savings in the delivery of services.
- 1.5 The authority to award any call-off contract is to be delegated to the appropriate Cabinet Member within each authority. The recommendation is that each call-off from the framework should be reviewed on a case-by-case basis
- 1.6 The paper recommends that each of the three Councils:
 - a) Endorse the approach for the procurement of information technology and communication services as set out in section 5;
 - b) Approve funding of £330,000 to support the procurement process, apportioned equally across each Council (H&F funding of £110,000 will be met from the Efficiency Projects Reserve, the RBKC funding will be met from the Transformation Reserve, and the WCC funding will be met from WCC Reserves);
 - c) Nominate the Royal Borough of Kensington and Chelsea as the contracting authority for the framework agreement as the authority who will award the framework contract; and,
 - d) Delegate authority to award any call-off contract to the appropriate Cabinet Member within each authority.

2. RECOMMENDATIONS

2.1 The paper recommends that each of the three Councils:

- Endorse the approach for the procurement of information technology and communication services as set out in section 5;
- Approve funding of £330,000 to support the procurement process, apportioned equally across each Council (H&F funding of £110,000 will be met from the Efficiency Projects Reserve, the RBKC funding will be met from the Transformation Reserve, and the WCC funding will be met from WCC Reserves);
- Nominate the Royal Borough of Kensington and Chelsea as the contracting authority for the framework agreement as the authority who will award the framework contract; and,
- Delegate authority to award any call-off contract to the appropriate Cabinet Member within each authority.

3. REASONS FOR DECISION

3.1 LBHF Cabinet, RBKC and WCC Cabinet Member endorsement of the procurement approach and approval of the proposed funding of £330,000 (£110,000 from each borough) is required from all three boroughs to enable this procurement to proceed.

4. BACKGROUND

4.1 The London Borough of Hammersmith and Fulham, the Royal Borough of Kensington and Chelsea and Westminster City Council share services to improve customer services and deliver savings. All services across the three Councils are today critically dependant on IT to function.

4.2 In 2012/13 the Councils took advice on IT strategy from Gartner who outlined a seven IT tower model of which three towers have already been procured. This was prior to the Councils beginning a successful procurement which culminated in the award of two lots (desktop and data centre service towers) to BT Global Services Ltd. and a third lot (servicedesk and service management tower) to Agilisys Ltd. Through that procurement, the Councils set up a pan-London single supplier framework agreement for each of the three service towers tendered.

4.3 The Councils have now reached the next stage of their IT evolution which sees them seeking to procure the next two service towers, voice and data networks.

- 4.4 The information technology and communications services procurement board led by the H&F Director of Procurement and IT strategy and with the TTS Bi-borough director of environmental health as senior responsible owner (SRO), is undertaking this procurement process. The team, led by the H&F director of procurement and IT strategy, consists of a programme manager (WCC), the head of business technology (H&F), a procurement category manager (WCC), the chief information officer (Tri-borough), unified communications manager (WCC), the network and telecommunications manager (RBKC), and a group accountant (RBKC).
- 4.5 Legal advice will be given and contract documentation drawn up by Sharpe Pritchard with the cost of legal advice being equally apportioned across the three Councils. The specification will be approved by the board.
- 4.6 As part of the process the three Councils have consulted widely with London Public Services Network (LPSN); other local authorities including London boroughs who had carried out similar exercises; central government; procurement experts; industry and technology specialists; the market, through both individual supplier and collective events; and with users i.e. managers and directors of frontline services.
- 4.7 The Councils have used the lessons learned in crafting the outcome-based specifications for this procurement.
- 4.8 Lessons included:
- The need to understand technology innovation and specifically allow for increasing use of smartphones and wearable technology in both a corporate environment and service users' homes;
 - The requirement to ensure there is enough customer engagement at the design stage;
 - The benefits of designing in mechanisms for effective management of the supplier ecosystem;
 - the benefits of good data during the procurement and continuity of programme management post-procurement and into the transition phase to the new service provider
 - Not to do away with desk phones altogether for fixed workers and contact centre agents; and,
 - Benefits realisation from new telephony technology depends on the level of learning by staff of different ways of working, which has to be undertaken as a business change programme.
- 4.9 In September, an event, "Concept Viability", was commissioned through techUK, the industry-wide IT body. The event was designed to inform feasibility work as part of structured market engagement and help shape and validate plans and requirements. It allows public sector customers to have a two-way dialogue with suppliers and enables carefully designed procurement strategies to be aligned to deliver value for money and better performance.
- 4.10 The report reached the following conclusions, not necessarily mutually exclusive:

- the IT shared service should adopt a restricted procedure procurement;
 - the bundling of services should ensure customer-centricity and be based on pragmatic considerations supporting the outcomes and needs of service users;
 - the procurement should contain clear service level agreements (SLAs), key performance indicators (KPIs), outcomes and requirements derived from business use cases in order for services to be seamlessly integrated;
 - the Councils should design the procurement in such a way that innovation can be achieved as technology changes;
 - the IT shared service should appreciate the size of the challenge of managing the technological and consumer changes effectively; and,
 - the Councils further examine the use of existing frameworks, particularly with respect to Application Services.
- 4.11 Ovum and Gartner, technology-industry experts, advised that telephony and network provision are both commodity items¹; telephony and networks are tightly coupled and should not be let separately; and there are existing good and tested models for such procurement.
- 4.12 The three Councils already have a target operating model (TOM) for the ICT service which is being implemented, the design of which was influenced by stakeholder feedback on networks and telephony service configuration. The ICT leadership team completed a service mapping exercise to identify which services were commodity, where economies of scale would have a significant positive impact on cost; or, value adding, where value can be added through internal business insight in development, delivery and management of a product or service.
- 4.13 In order to produce outcome based specifications, significant consultation with users provided a set of use cases and outcomes which the procurement team is using in shaping the specification of services.
- 4.14 The corporate procurement teams have investigated existing relevant framework agreements. Their advice was that they do not meet the end-to-end customer service and availability requirement of the business services; and that the cost and effort to manage a complex supplier landscape created by entering into a series of framework agreements would outweigh any cost benefit gained.
- 4.15 Several key contracts across the three Councils will terminate in the next two years. This paper makes recommendations on the significant decisions about sourcing these services and the procurement process.
- 4.16 The WCC Next Generation Networks (NGN) framework contract, which RBKC use as well as WCC, finishes in April 2015. The Westminster call-off from this contract ends in April 2016.

¹ Commodity items are types of widely available products that are not markedly dissimilar from one unit to another.

- 4.17 This NGN framework is also extensively used across London with considerable demand from other public sector organisations. The London boroughs of Southwark and Hillingdon, North, Central and East London NHS Community Support Trust, the City of London Corporation and the Metropolitan Police Service already take advantage of it. It has an estimated contract value of upwards of £10m. Several other boroughs are in the advanced stages of procuring NGN services.
- 4.18 The expiry of the major WCC telephony contract with Ericsson takes place in June 2016.
- 4.19 The entire H&F IT service contract with H&F Bridge Partnership (HFBP), which manages a whole series of supplier contracts including those for voice and data, terminates in October 2016. The contract comprises the following scope of services: technical consultancy and IT strategy; business analysis; procurement; data network and remote access services; voice network and unified communications; asset management; information security; IT change in relation to these services; business continuity; contracts services; applications services; application support definition; internet services; project management services; and, additional commissioned work.

5. ENGAGEMENT

- 5.1 To help define the procurement approach, the Councils conducted a market engagement process with a range of organisations from across the technology landscape. These suppliers shared their experiences of delivering the outcomes and services the Councils require with a focus on improving collaboration and communication, increasing mobility and flexibility, enhancing productivity while controlling costs and helping IT act as an agent of change to transform citizens' lives.
- 5.2 In parallel, the Councils engaged with colleagues at other local authorities including London boroughs, London PSN and county Councils, to examine their experience, the pitfalls and leading practices in running procurements for similar services.
- 5.3 The Councils held a Concept Viability workshop facilitated by techUK, the UK industry body for IT. Around sixty interested companies, ranging from local small to medium sized enterprises (SMEs) to global technology giants, attended. The Councils presented their challenges and thinking. In response, techUK documented the event on the day then collated an industry response which the Councils have used in shaping the procurement.
- 5.4 The Public Services (Social Value Act) of February 2012, places an obligation on public bodies to consider whether a wider community benefit could be delivered as part of the procurement process. Examples of Social Value in this context include apprenticeships, SMEs working as part of a consortium to deliver services, and building community facilities as part of a wider development.

- 5.5 The Councils have considered the social value of these contracts. The services the Councils propose to let are primarily commodity services, seen as utilities akin to water and energy services with minimal human intervention required. The scale of these contracts is such that if the management of network services were split into smaller lots then an SME approach would be possible but the resulting service continuity risk (potential critical failure), cost and complexity of managing the supplier ecosystem with limited incentive for supplier co-operation would far outweigh any potential social value benefits gained. The Councils therefore propose to seek the most economically advantageous tender, thus enabling frontline services to be protected.
- 5.6 The team reviewed the lessons learned from the previous IT Services procurement (desktop, data centres and servicedesk). Through that procurement the Councils set up a pan-London and Essex single supplier framework agreement for each of the three service towers tendered. The frameworks offer standardised commoditised services with economies of scale shared by all authorities signing up. There are options to include bespoke services where necessary.
- 5.7 Each authority contracts individually through the framework, there are no guaranteed volumes in the contracts and Councils retain the right to cease using the services at any time, subject to notice periods for the service elements procured. This allows the Councils to benefit from commodity pricing with economies of scale, while individually retaining the flexibility to use other sourcing strategies should they offer greater value for money.
- 5.8 This previous IT services procurement completed on schedule and under budget, and the resultant frameworks are already attracting interest from other London boroughs.
- 5.9 The NGN framework is also a successful single-supplier framework with take-up across London. This framework contract finishes in April 2015 and therefore this route to market will no longer be available.
- 5.10 The authorities who have called down from it will have to re-procure over the next few years as their contracts expire and additionally other London boroughs have expressed interest in being able to access a replacement framework, including the London boroughs of Brent and Lambeth. This has led to the recommendation that the Councils let the frameworks on a pan-London basis made available to any organisation offering public services in London.

6. EXISTING FRAMEWORK ASSESSMENT

- 6.1 The existing frameworks were assessed to see if any were suitable for the Councils' purposes. These included the PSN frameworks that are available for a wide range of telephony and data network services. The assessment explored the scope of the various frameworks.

- 6.2 Although there is an option to award multiple call-off contracts using a combination of frameworks, this would require numerous procurement exercises and would incur substantial overheads. Once those contracts were awarded, the Councils would then have a complex service delivery structure that would require a significant on-going commitment of internal contract and supplier governance effort. The Councils would also be exposed to delivery risks associated with the establishment of resolution responsibility during the occurrence of service problems and incidents. Any value initially enabled by the use of the frameworks could effectively be negated by the high procurement and retained management costs.
- 6.3 Notwithstanding the above, the primary justification for rejection of the use of existing frameworks is that none of them provide the guaranteed end-to-end service desired, nor would they deliver value for money against the Councils' required outcomes.
- 6.4 The recommendation is that a restricted procedure is undertaken in the absence of a suitable framework that can provide a comprehensive, end-to-end, enterprise solution for telephony and data networking.

7. THE PROPOSED PROCUREMENT PROCESS

- 7.1 The proposed acquisition of the IT delivery model will be subject to the Public Contracts Regulations 2006 (as amended) if the procurement commences before the Public Contracts Regulations 2015 are enacted, possibly January 2015.
- 7.2 Within H&F, the Critical Friends Review has completed. The findings of the review endorsed the implementation of a single ICT service across the three Councils, and recommended that where shared service opportunities exist, that these services should be more readily available to other potential partners.
- 7.3 The recommendation is that the Councils follow the restricted procedure for the letting of an outcome-based single-supplier framework agreement. The procurement board will confirm the letting strategy. Each borough will then enter into an individual call-off contract for the services on the framework agreement as and when required.
- 7.4 Although the restricted procedure does not allow for dialogue with potential suppliers it is relatively quick. The Councils consider this process best because:
- The Councils will achieve the most economically advantageous offer.
 - The Councils anticipate there being significant interest in the work therefore they will need to pre-qualify interested companies to manage the numbers;
 - The Councils know exactly what they want to procure and can specify it. The competitive dialogue process is used where the contracting authority is not able to define the technical means capable of satisfying its needs

or objectives, or cannot specify either the legal or financial make-up of a project.

- This process will facilitate achievement of the users' key objectives including collaborative working.
- The restricted process can stimulate the market place to offer something new and innovative. It will result in solutions specifically tailored to the requirements of the three boroughs but could be applicable London-wide.
- The development of a framework agreement would enable other London Councils and public bodies to participate in a shared service.
- There will be ample opportunity for clarification during the pre-ITT stage. This approach was used successfully in the previous IT procurement explored above and in others.
- The reduced overheads of the restricted procedure against the cost of a competitive dialogue process can be prohibitive.
- The timescale to complete the restricted procedure will be defined at the outset by the Councils, whereas within a competitive dialogue there is greater scope for delays and extensions to the process. Given the existing contract end dates any delay would increase the risks of transition for the Councils.

7.5 The Councils propose the creation of a managed framework agreement because they can:

- make economies of scale from aggregating demand;
- maintain standard services, approaches and processes and prevent divergence and customisation which would otherwise lead to higher costs;
- choose a single supplier for the framework as best value for money; and,
- offer a more flexible approach for other London Councils through the ability to call-off from the framework, subject to being named in the procurement.

7.6 An outcome-based specification for the IT services is being drawn up.

7.7 The Councils propose a framework agreement with a duration of four years. It is important that at some point the contracts for all three boroughs can co-terminate. The call-off contracts would be on the basis of an initial four years, with options to extend annually for a further three years. Value for money and benchmarking mechanisms would be included within the contracts. There would be no guaranteed volumes in the contracts and Councils retain the right to cease using the services at any time, subject to notice periods for the service elements procured.

8. TIMELINE

Milestone	Date
Concept Viability	11 Sept 14
Publish PIN	5 Jan 15
Publish OJEU and PQQ	5 Jan 15
Suppliers day	14 Jan 15
Receive PQQ	6 Feb 15
Shortlist selected	27 Feb 15
Draft ITT released	9 Mar 15
Final ITT released	17 Apr 15
ITT responses received	29 May 15
Post tender clarification and evaluation	June 15
Successful supplier selected	July 15
Cabinet Member approval	July 15
Award contract (Framework/WCC call down)	August 15

9. PROPOSED TENDER EVALUATION AND INFORMATION

- 9.1 An initial assessment of potential providers will take place at the expression of interest stage, using the Councils' capital Sourcing procurement portal. Tenderers will complete a pre-qualification questionnaire which will be used to assess financial standing, experience, technical capacity and organisation capability.
- 9.2 The need to balance cost and quality is acute. The criticality of IT across services mandates high quality and reliability across the service. In parallel, the increasing cost pressures across the public sector necessitate a more commercial approach that specifically considers and balances cost and quality.
- 9.3 The Councils plan to award the contract on the basis of the most economically advantageous tender. This gives the Councils the ability to assess the quality of the proposed services as well as the cost, thereby ensuring the service quality as well as the cost is fit for purpose. Awarding the contract merely to the lowest priced bidder is not considered suitable for a tender of this type as it is inflexible and does not sufficiently take account of quality.
- 9.4 The restricted procedure will have two stages: a pre-qualification questionnaire (PQQ); followed, by an invitation to tender (ITT).
- 9.5 The PQQ stage considers two elements: quality of services offered in the submission and financial standing. To evaluate the quality of bid submitted, suppliers will be provided with a set of scenarios and business requirements which describe the services and expected quality of provision that the Councils are seeking. The Councils have an agreed framework for

assessing the financial standing of suppliers and these will be applied at this stage also.

- 9.6 Evaluation at PQQ stage will be solely on quality with a focus on ensuring that only solutions which are able to fully meet the outcomes set out in the use cases are taken to the ITT stage.
- 9.7 The evaluation criteria will include compliance with terms and conditions and standards, sustainability (including SMEs and environmentally friendly aspects), partnership working, customer focus, implementation plan, contract management, risk management, data management, service management, technical compliance and technical design.
- 9.8 The qualitative aspects of a tender will be assessed by applying the following scoring mechanism to the responses received against the previously advertised award criteria:

Score	Performance
5	Outstanding, exceeds expectations, adds value
4	Good, full, robust response; gives confidence
3	Meets minimum standard, acceptable
2	Fails to meet the standard – minor concerns
0	Fails to meet minimum standard – major concerns

- 9.9 For the execution of the framework each of the three boroughs is represented on the evaluation panel. The panel will include: Tri-Borough CIO; from H&F, the director of procurement and IT strategy, and the head of business technology; from RBKC, network and telecommunications manager and support unit manager; and, from WCC, the CIO and unified communications manager.
- 9.10 The panel will be supported by the procurement, Finance, Legal and technical team as outlined in section 2.

10. RISK ANALYSIS

- 10.1 Listed below are several main risks to successful delivery of the programme, along with their mitigation.
- 10.2 Customer requirements and working preferences can change rapidly as new technology comes onto the market. Business requirements will capture existing requirements and also look at likely future innovations in working preferences. The contract for services will allow the flexibility to innovate and accept changes in technology and working practices. The plan to contract for outcomes means that the Councils will have the services they require regardless of how they are delivered. Embedding collaboration and innovation in the contract as guiding principles will mitigate this risk. Contracting with one single market-leading supplier gives the Councils a

strong collaborative relationship to assure service innovation over time. Continuous improvement will be a stated requirement in the OJEU which will help mitigate the risk of challenge if the specified services need to change during the contract.

- 10.3 The commercial model will be complex. The model must take account for change in market prices for the commodities which will be procured. If the model ties us to one set of prices for the duration of the contract it is likely that the Councils will pay too much for services towards the end of the term. The model will be developed to allow appropriate review of prices, with the supplier(s) having to demonstrate they have sourced best value prices for services through regular market benchmarking and price review. This will be supported by the client function within the ICT Service which will have responsibility for ensuring performance against agreed outcomes and costs.
- 10.4 There is a complex ecosystem in place, with differing suppliers providing services. This procurement will add to this. If new and existing service providers do not work well together there is a risk that integration of services will not be optimal, leading to poor service delivery. From the previous IT service procurement where different suppliers were chosen for services there are positive examples of collaborative working. This is in part due to effective clienting from the three Councils, but also a partnership approach across suppliers. The Councils will incentivise partnership working and understanding how suppliers have collaborated and would do so will be assessed through evaluation criteria during the procurement.
- 10.5 There is a risk that the framework may not be suitable for a shared service which widens in scope and grows, for example with the addition of another local authority. The IT shared service may be unable to call-off appropriate services to match these changing needs. Any framework agreement must be flexible enough to allow for the call-off of appropriate services and ensure that contracts can be co-terminated for new joining local authorities.
- 10.6 The procurement programme will follow the standard risk management toolkit adopted across all three Councils. Risks will be identified, logged, assessed and mitigating actions developed. Each risk will have an owning officer. The information technology and communications procurement board will regularly review the register of risks to ensure appropriate action is being taken to manage all identified risks. The TTS Bi-borough director of environmental health as senior responsible owner for the procurement will have final responsibility for all programme risks which will also be monitored by the Tri-Borough CIO and escalated into corporate risk management process if required.

11. LEGAL IMPLICATIONS

- 11.1 The proposed restricted procedure for competitive tendering setting up a single supplier pan-London framework would be in compliance with the

Council's obligations under the Public Contracts Regulations 2006 (as amended).

11.2 Verified by Babul Mukherjee, Solicitor (Contracts), Legal.

12. PROCUREMENT IMPLICATIONS

12.1 Procurement of the expert support services will need to be carried out in accordance with EU procurement rules and the three Councils' contract standing orders.

12.2 The commercial lead is Andrew Curtois and David Golledge provided procurement support.

12.3 Several project and programme boards have been set up across the three boroughs. Their requirements across and how the resulting contracts will be set up have been discussed at length. This document presents the outcome of these discussions.

12.4 Innovation and achieving value for money are key areas of focus for this procurement. This procurement will create efficiency savings by optimising technology like webcams and unified communications.

12.5 The e-sourcing system used will be capitalEsourcing. The OJEU notice and the full procurement will be run using this system.

12.6 There are no particular EU procurement risks involved in this procurement other than to state that the proposed strategy complies with EU procurement law.

12.7 Verified by Francis Murphy, Head of Procurement.

13. RISK MANAGEMENT IMPLICATIONS

13.1 The report recommendations contribute positively to the management of a number of strategically significant risks as noted on the Tri-borough strategic risk register. These include the risks to managing budgets, market testing, information management, digital continuity and compliance with laws and regulations. IT shared services, business continuity and service delivery will benefit through a more resilient information technology and communications infrastructure and ultimately supporting the needs and expectations of service users through a more efficient and stable information technology and communications.

13.2 Verified by Mike Sloniowski, Bi-Borough Risk Manager.

14. FINANCIAL AND RESOURCES IMPLICATIONS

- 14.1 Costs will be incurred in letting contracts but in reality many of these costs would have been incurred if the boroughs had continued with single IT functions. The Councils estimate that the procurement will require funding of £330,000. All three Councils would have in any event required procurement funding as existing contracts fall for renewal or new commoditised services were accessed e.g. data networks.
- 14.2 There will also be a need for transition costs to be funded but these will depend on what services are drawn down from the contracts and when. Each borough will be responsible for its own transition costs. Some of these costs are likely to be funded by existing IT investment budgets in the three boroughs. The transition costs can only be estimated at the point where the new contract is awarded.
- 14.3 Funding to complete the procurement is required from each Council:
- the H&F share of the cost of the procurement, £110,000, is funded from the Efficiency Projects Reserve.
 - the RBKC share of the cost of the procurement, £110,000, is funded from the Transformation Reserve.
 - the WCC share of the cost of the procurement, £110,000, is funded from WCC reserves.
- 14.4 Verified by Andrew Lord, Head of Strategic Planning and Monitoring, Finance.

15. CONSULTATION


- 15.1 There is no legal requirement to consult with the public.
- 15.2 Staff may need to be consulted on the development of the new support functions. Where possible, this consultation will be incorporated in the work being led by the Tri-borough CIO on the development of the IT target operating model.
- 15.3 Where staff are impacted by TUPE, consultations will be held according to the Councils' guidelines.
- 15.4 Verified by Keeley Cooper, Bi-Borough HR Business Partner and Joanne Meagher, Senior HR and OD Manager.

16. EQUALITY IMPLICATIONS

- 16.1 This project will involve a reorganisation and re-procurement, and will involve changes to jobs. At this point in time there is no reason to believe the proposals in this report will disproportionately impact any group. It should be noted that it is likely that there will at a later stage be TUPE implications for staff at H&F (including HFBP), RBKC and WCC and their service providers. This will need to be considered as part of the procurement strategy. An Equalities Impact Assessment (EIA) will be done as part of the next stage of the procurement.
- 16.2 The scale of these contracts is such that if the management of network services were split into smaller lots then an SME approach would be possible but the resulting service continuity risk (potential critical failure), cost and complexity of managing the supplier ecosystem with limited incentive for supplier co-operation would far outweigh any potential social value benefits gained.
- 16.3 Verified by David Bennett, Head of Change Delivery and Tim Hopkins, Resource and Knowledge Manager.

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

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

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET REPORT</p> <p align="center">5 JANUARY 2015</p>
<p>DELIVERING THE SCHOOLS CAPITAL PROGRAMME</p>	
<p>Report of the Cabinet Member for Education : Councillor Sue Macmillan</p>	
<p>Open Report</p> <p>A separate report on the exempt agenda provides exempt information relating to the procurement of the contract for the Burlington Danes Academy Primary School development.</p>	
<p>Classification: For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Andrew Christie – Executive Director Children’s Services</p>	
<p>Report Author: Dave McNamara – Tri-borough Director of Finance & Resources (Children’s Services)</p>	<p>Contact Details: Tel: 020 (8753 3404) E-mail: (dave.mcnamara@lbhf.gov.uk)</p>

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, in relation to the establishment of a new 2-form primary schools at Burlington Danes and the commission of a feasibility study into reinvestment in the estate of Phoenix High School and enhancement of the facilities and educational offer.

2. RECOMMENDATIONS

2.1. That approval be given to the procurement decisions, capital allocations, and appropriate delegations where required to develop the priority schemes at the following schools:

a) **Burlington Danes Primary**

To appoint Lakehouse Contracts Ltd as the Main contractor for the contract sum of £5,073,342.00 (+ £142,951 Construction Contingency) following a competitive tender exercise as set out in the body of the report. .

b) **Phoenix High School**

To allocate the sum of £185,000 to Phoenix High School (PHS) to allow for the completion of an evaluation study on the feasibility of the redevelopment of the existing PHS site for education purposes by 3BM and to include partial disposal, development of new accommodation and potential inclusion of additional community facilities.

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

4. INTRODUCTION AND BACKGROUND

4.1. Recommendations in this report relate to the provision of sufficient places to meet increasing demand for primary places in the north of the borough and addresses the issue of condition in schools. Since the cancellation of the Building Schools for the Future programme DfE funding has targeted Basic Need, i.e. the provision of sufficient school places over the condition of existing school buildings. What funding that has been made available for condition has been targeted at specific schools "in immediate danger of collapse" rather than providing sufficient capital to allow authorities to invest in the upkeep of their schools.

4.2. In Hammersmith & Fulham, condition surveys were last undertaken in 2011-12 and identified a 5 year programme of necessary works, subject to the availability of funding. The SCHOOLS ORGANISATION STRATEGY 2012/13 agreed at Cabinet in January 2013 allocated £7.77m of the LA 2012-13 Additional Basic Needs grant to address a number of condition issues across the school estate. This allocation was in addition to the £5.02m maintenance grant that the authority has received since 2012 which has been used on priority issues since then. Of the £1.48m Maintenance Grant received for 2014-15 £800k has been set aside to fund essential

Asbestos works, the remainder is used for essential Health and Safety works.

- 4.3. Without access to the necessary funds to maintain the school estate the condition of schools in the borough has deteriorated. 2 former Council-maintained schools: Fulham College Boys; and the Alternative Provision School in Findlay Street; have both benefited from funding through targeted capital programmes provided by the EFA but only aimed at academies.

5. PROPOSAL AND ISSUES

- 5.1. The funding that is available to meet new commitments is approximately £8m.

5.2 Burlington Danes

- 5.2.1 The 2012/13 School Organisation Strategy, agreed by Cabinet in March 2012 agreed the creation of Primary Provision at the Burlington Danes Academy Provision of 1FE primary provision, future-proofed to enable expansion to 2FE if future demand is demonstrated.
- 5.2.2 In April 2014 the Cabinet approved the Council undertaking 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.
- 5.2.3 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.
- 5.2.4 The scheme is estimated to cost approximately £6.3m. 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 £1.5m difference is less than previously provided for within the budget.
- 5.2.5 3BM, the former-employee led mutual is contracted to manage the schools' estate on the Council's behalf and ran a procurement exercise on behalf of the Council to appoint a contractor for the proposed works.
- 5.2.6 The contract was evaluated on the basis of the most economically advantageous tender and Lakehouse Contracts Ltd scored the highest in the tender evaluation process. Accordingly, the Tender Acceptance recommendation is to appoint Lakehouse Contracts Ltd as the Main contractor for the contract sum of £5,073,342.00. The Tender Acceptance report is appended to the exempt report as Appendix 1.

5.3 Phoenix High School

- 5.3.1 Phoenix High School have received a condition allocation of £575k, against the total condition need of £2,479k identified in the condition survey carried out by EC Harris in 2011. This was to enable the school to address urgent health and safety works without any conflict with the school's future school vision as a longer term strategy.
- 5.3.2 Phoenix High School been encouraged to explore possibilities of generating sufficient capital funding from within their existing estate to replace existing school buildings, the majority of which are time-expired. The school has commissioned 3BM to undertake some initial exploratory work . The proposal is to allocate £185,000 for the school to commission 3BM to do far more detailed designs to support the development of this initiative.

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.
- 6.2. Any redevelopment, including partial disposal, of land at Phoenix High School will have to have consideration to planning policies including the protection of land for Education use.

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 projects within this report were considered for funding under the Schools Organisation Strategy 2012/13 approved by Cabinet 10th December 2012. As such, these projects are incorporated in the Equality Impact Assessment for that report.
- 8.2. 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 the tender exercise in relation to the appointment of Lakehouse Contracts Ltd was carried out by 3BM on behalf of the Council. The procurement process undertaken is set out in Appendix 1.
- 9.2 In relation to the proposed appointment of 3BM to carry out the feasibility study at Phoenix School, this would be in the compliance of the Contract Standing Orders and procurement legislation as the appointment is covered under the Contract Notice that was published by the Council when creating the employee-led mutual.
- 9.4 Implications completed by: Kar-Yee Chan, Solicitor (Contracts), 020 8753 2772.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The schools capital programme as at quarter 2 of 2014/15 already has an allocation of £6.2m for Burlington Danes Primary. This report is seeking approval to appoint Lakehouse Contracts Limited as the main contractor for the contract sum of £5.073m. This contract sum can be contained within the budget allocation for Burlington Danes Primary.
- 10.2. The financial standing of the company Lakehouse Contracts Limited has been examined. The Council has been advised that in the light of the information available as at 2nd December 2014, the overall financial performance of the company is considered to be sound.
- 10.3. The unallocated budget provision for schools capital programme as at Q2 2014/15 was £8.17m. This report also seeks approval for an of £0.185m to Phoenix High School for feasibility studies, making a total of £1.235m. This would leave a total of £7.85m to be allocated.

VAT Implications

- 10.4. 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.
- 10.5. 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.

- 10.6. The VAT implications in respect of the Burlington Danes project are set out in 5.2.3, namely that the project will be zero-rated providing the school is used 95% for education/charitable purposes. To put it another way, this means that commercial usage (charging for activities etc.) cannot exceed 5%. It is incumbent on the school to provide a certificate to this effect. The zero-rating is also dependent on the full cost of the project being met by the local authority as the contracting authority. If the school were to make any contribution (no matter how small) this would change the nature of the supply to VAT exempt which would adversely impact on the Council's partial exemption calculation.
- 10.7. Comments provided by: Christopher Harris, Head of Corporate Accountancy and Capital, tel 0208 753 6440

11. RISK MANAGEMENT

- 11.1. The Children's Services department remain responsible for the management of risk associated with the proposals including management of contractor risk. Capital Works form part of the Councils strategic risk register and as such positively contribute to a number of risks identified on the register. Where there are Health and Safety implications these form part of the Council's statutory duty to provide a safe working environment and are monitored through the shared Health and Safety risk register reviewed quarterly by the Bi-borough Corporate Safety Team and Bi-borough Risk Manager.
- 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 two procurement-related recommendations, both of which involve *3BM* acting on behalf of the Council and/or schools in the borough. The direct commissioning of *3BM* by either the Council or schools in the borough to undertake a wide range of educational related matters is provided for in section VI.2 of the contract notice posted in the Official Journal of the European Union (OJEU) prior to the creation of *3BM*. In short, legally permissible under the Public Contracts Regulations 2006 (as amended).
- 12.2 Where H&F is the contracting authority and *3BM* are acting on the Council's behalf as technical agents in carrying out a procurement, *3BM* need to ensure compliance with the 2006 Regulations where they apply, as well as the Council's Contracts Standing Orders.
- 12.3 The specific procurement implications of each of the three main recommendations are given below.

Phoenix High school

- 12.4 The direct commissioning of *3BM* by Phoenix High School to undertake a more detailed study on the feasibility of redeveloping the existing site is permissible under the terms of the OJEU notice mentioned above.

Burlington Danes (BDA)


- 12.6 Cabinet on 7th April 2014 Cabinet agreed that the Council would act as the contracting authority for the building works at Burlington Danes, for reasons explained above in section 10 of this report, and that *3BM* should project manage the procurement of these works.
- 12.7 As the pre-tender estimate valued the work at BDA above the EU threshold, requiring a fully regulated competition, *3BM* advertised the contract opportunity in the OJEU in June 2014, and ran the competition transparently through the Council's e-tendering system. Following pre-qualification, six organisations were invited to tender, and three of these returned bids. Following a like-for-like assessment, Lakehouse Contracts Ltd. submitted the highest scoring bid, taking into account the combined marks available for quality and price. The Director of Procurement and IT Strategy supports the recommendation to award the contract for the works at BDA to Lakehouse Contracts Ltd.
- 12.8 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

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	The Schools Organisation Strategy 2012/13	Dave McNamara Ext. 3404	Children's Services

Agenda Item 11

 <p>hammersmith & fulham</p>	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 JANUARY 2015</p>
<p>FINANCIAL PLAN FOR COUNCIL HOMES: THE HOUSING REVENUE ACCOUNT FINANCIAL STRATEGY, 2015/16 HOUSING REVENUE ACCOUNT BUDGET AND 2015/16 RENT INCREASE</p>	
<p>Report of the Cabinet Member for Housing : Councillor Lisa Homan</p>	
<p>Open Report</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Melbourne Barrett, Executive Director of Housing and Regeneration</p>	
<p>Report Author: Kathleen Corbett, Director of Finance and Resources (Housing and Regeneration)</p>	<p>Contact Details: Tel: 020 8753 3031 E-mail: kathleen.corbett@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

1.1. This report deals with:

- Proposals for a long-term 40 year financial plan for Council homes that do not depend on the sale of empty Council homes to outside property investors
- Plans for the repair and maintenance of Council homes
- Proposals to reduce the rate by which rents and service charges increase for tenants of Council homes each year.
- The 2015/16 budget for Council homes (also known as the Annual Housing Revenue Account (HRA) budget) including the proposed increases in rents and tenants service charges for 2015/16.

1.2. The Council uses all of the money from rents and other income it receives from tenants to pay for the cost of managing and maintaining Council homes and to cover the interest on its housing debt (in the same way someone would pay their mortgage). The Government has said it will not provide any further funding for improving Council homes. The Council can raise further funds to improve homes through the sale of assets and borrowing money (as long as this borrowing stays within a limit set by Government).

- 1.3. Council homes are accounted for in the Housing Revenue Account. This covers services provided to tenants and leaseholders in properties owned¹ by the Council that are paid for by tenants' rent, tenants' service charges, leaseholders' service charges and any other associated income from land held for "housing purposes". The Housing Revenue Account was established by an Act of Parliament² to ensure that Council tax payers cannot subsidise Council rents and nor can Council rents subsidise Council tax. Tenants and leaseholders who live in Council-owned properties pay Council tax separately for other Council services.
- 1.4. In April 2012, the government abolished the Housing Revenue Account (HRA) subsidy system. Previously, the government made a payment to the Council to help cover the cost of interest payments on our housing debt and the costs of managing and maintaining Council homes. The government has now stopped this payment. In return, the Council's debt was reduced.
- 1.5. Prior to May 2014, the Council was selling vacant Council homes to fund a significant part of the HRA's financial plan. This practice ended with the change of administration, so there is a need to set out a new financial plan.
- 1.6. The new proposed Financial Plan for Council Homes has been extended from 30 years and now covers a 40-year period. In the shorter term it incorporates a higher level of borrowing, but it budgets for this borrowing to be paid off by the end of the plan's term. The plan maintains the same level of proposed investment for planned maintenance and improvement to Council homes as the previous Housing Revenue Account Business plan approved by Cabinet in February 2014, without relying on the disposal of expensive voids. The 40 year time-frame is consistent with some other social landlords that are investing in their stock. A 30 year time frame is normally employed by Councils with low levels of investment in new stock and improving existing stock. The 40 year plan is judged to be more appropriate for LBHF because:
 - The Council's plan addresses the repairs and maintenance backlog to bring the stock up to a good condition and keep it this way over this time period
 - The Council borrows from the Public Works Loans Board for up to 50 years and much of the Council's debt extends to just before or after 40 years.

2. RECOMMENDATIONS

- 2.1. To endorse the Long Term 40 Year Financial Plan for Council Homes as set out in section 8 of this report.
- 2.2. To approve the Housing Revenue Account 2015/16 budget for Council Homes as set out in Appendix 1.
- 2.3. To endorse the proposed new Council Homes Rent Policy for increases from 2015/16 onwards of Consumer Price Index (CPI)³+1% plus an additional £1 per week for tenants not yet paying target / formula rent.

¹ Includes properties held on a long lease

² Failure to adhere to this statutory guidance can render the Council's Annual Report and Accounts subject to challenge and/or qualification by the District Auditor.

³ The rate used is that for September in the previous year, for example for the April 2015 rent increase, September 2014 CPI of 1.2% would be used

- 2.4. To endorse the proposed new policy to increase tenant service charges by CPI⁴ only for 2015/16 onwards in line with the increases in the majority of associated contracts.
- 2.5. To approve an average rent and service charge increase for 2015/16 for Council Tenants based on application of the new Council Homes Rent Policy and new service charge increase policy of 2.89% as set out in section 10 of this report.
- 2.6. To approve an average rent and service charge increase of 2.74% based on application of the Government's rent restructuring formulae for properties under licence and hostels as referred to in paragraph 10.9.
- 2.7. To endorse the HRA Medium Term Financial Strategy which plans to deliver further on-going annual revenue savings of £2.2million per annum by 2015/16, rising to £4.8million per annum by 2021/22, with savings coming principally from back office costs.
- 2.8. To note that £13.0m of Housing debt is due to mature in 2015/16 and to approve the refinancing of £11.5m of this debt during 2015/16, in order to both meet the investment in repairs and improvements to Council Homes, and to balance the gap in the financial plan that is a result of stopping selling empty Council Homes.
- 2.9. To note that the water regulator OFWAT is not due to confirm the increase in tenants' water charges until January 2015, and therefore to delegate authority to the Executive Director of Housing and Regeneration to agree the average increase in water charges as set out in section 14.
- 2.10. To approve a freeze in the communal heating charge at 2014/15 rates as set out in section 14 of this report.
- 2.11. To approve a freeze in parking charges as set out in section 14 of this report.
- 2.12. To approve a freeze in garage charges as set out in section 14 of this report.
- 2.13. To note the risks outlined in section 11 of this report.

3. REASONS FOR DECISION

- 3.1. Section 76 (1)-(4) of the Local Government & Housing Act 1989 requires that the Council formulates the annual budget for the Housing Revenue Account during the months of January and February immediately preceding the year the budget is for. This budget must not result in a debit balance on the Council's HRA.
- 3.2. This budget is based on the financial business plan and this report allows Finance and Delivery Policy and Accountability Committee to comment on the policies that are being applied in the creation of this budget.

⁴ The rate used is that for September in the previous year, for example for the April 2015 rent increase, September 2014 CPI of 1.2% would be used

4. INTRODUCTION AND BACKGROUND

- 4.1 Between June 2004 and 31st March 2011 management of the borough's housing stock was in the hands of H&F Homes Ltd, a fourth round Arm's Length Management Organisation (ALMO).
- 4.2 The creation of the ALMO was a condition for accessing debt funding for the previous government's Decent Homes initiative. The ALMO undertook an ambitious £215 million programme of works under this initiative. This programme was largely funded by an increase in borrowing of £201 million which took total HRA debt to £415 million immediately prior to HRA reform.
- 4.3 The management of the borough's housing stock returned to the Council from the ALMO on 1st April 2011 with the aim of improving cost efficiency and service quality.
- 4.4 On 28th March 2012, HRA reform was implemented which did away with the complex system of annual transfer payments between central and local government to be replaced by a system of "self-financing" where local authorities have to manage their housing assets to ensure their Council Homes can be supported and maintained from the income they receive from them. Under HRA reform the Council received a debt repayment of £197.4m resulting in a reduction in annual interest costs of £10.2m. In exchange, the Council gave up its entitlement to Housing Subsidy from Government. This income stream was worth £10.4m in 2011/12. This left the Council with an on-going interest cost of £12.2m in 2012/13, which needed to be funded from the gross rent roll (which for 2012/13 was £60.8m) before any other costs are funded. Following the adoption in 2012/13 of the strategic financial objective to repay the HRA debt as it became due, £12.1 million of debt will have been repaid by 31st March 2015, leaving the HRA with the ability to borrow an additional £49m to invest, either in existing Council Homes or in the provision of new Council Homes in the future, provided interest and repayment of the principal can be financed from rents.
- 4.5 HRA reform has also brought with it more local accountability for determining rent levels and the maintenance of stock as Councils are no longer able to refer to funding decisions made by central government in the event of local dissatisfaction with rent levels or the maintenance of stock.
- 4.6 There are a number of other financial pressures on the HRA. Historically the Council, both prior to the establishment of and under the ALMO, under-invested in periodic and regular maintenance of the Council's housing stock. The Decent Homes programme brought welcome "catch up" investment in repairs and improvements. However, this only covered certain property elements and significantly did not cover lifts or public realm. Therefore there remains much work to do; £51m of investment in stock via the capital maintenance programme is planned for 2015/16 alone with investment of £185m planned by the end of 2018.
- 4.7 Revenue from rents does not currently cover the combined costs of management, repairs and effective maintenance of the stock. LBHF rents are lower on average than the majority of other central London authorities⁵ (2014/15 LBHF budgeted average rent is £105.21 per week compared to £95.64 - £123.80 per week in other central London boroughs, see Appendix 9).

⁵ Islington, Camden and Lambeth

- 4.9 There are also a number of key financial risks to the HRA. These include:
- the impact of welfare reform on income and bad debts, specifically the removal of the spare bedroom subsidy for under-occupancy, benefit caps and direct payments to tenants when they move to Universal Credit;
 - the impact of higher void rates in future years on income, maintenance, and management as a result of fixed term tenancies turning over;
 - a general property market risk on the HRA balances where accounting rules for impairment and revaluation losses / gains mean that any adverse movements may result in a charge to the HRA if there are insufficient revaluation reserves held;
 - additional Health and Safety requirements;
 - a general market risk on re-procurement and recruitment that contract prices might come in higher than expected, this risk is higher in better economic conditions

4.10 These risks have to be viewed in the context of the level of HRA general reserves held, where a prudent level of reserves is important to support long term investment planning in the context of a property portfolio of 17,000 properties with an existing use value of £1.1billion. During the period of the ALMO's management, HRA reserves had fallen to £3.1m as at 31st March 2011, having been £6.4m at 31st March 2004⁶ prior to peaking at £10m. HRA reserves as at 31st March 2015 are predicted to have increased since the return of management to the Council to £11.7m. However they will only be equivalent to 15% of turnover, compared with the average for London Housing Authorities of 21%⁷. This level of reserves provides insufficient cover against unanticipated events such as those that might arise from the risks noted above.

4.11 It is therefore clear that over time revenues need to be increased and costs contained to build a more secure financial base, in order to move to a position where repairs and maintenance are wholly funded from rents and service charges, with a prudential approach to borrowing and to manage the risk of running an unlawful deficit on HRA reserves.

4.12 The 2012/13 HRA financial strategy agreed a target increase in the HRA reserves balance to protect against future shocks or unanticipated events to circa £35 million by 2022. However, recent benchmarking indicates that the average level of reserves held by London authorities as a percentage of turnover is 21%, it is therefore proposed that this target is revised in line with this ratio, to £20m by 2022⁸.

4.13 Cumulative on-going annual efficiencies delivered in the four years to 31st March 2015 were £8.7m per annum and a future savings programme is set to deliver additional on-going additional cumulative efficiencies of £2.2m from 2015/16,

⁶ At their peak HRA reserves were £10 million during the period of ALMO management. They declined swiftly after this point to £3.1m at the end of the ALMO's managerial period.

⁷ Based on turnover for the financial year 2013/14, see Appendix 2.

⁸ The HRA business plan proposed indicates that a reserves level of £20m by 2022 would be equivalent to 21% of turnover in that year.

rising to £4.8m by 2019/20 (i.e. £13.5m cumulative annual efficiencies since the return of management to the Council in 2011).

- 4.14 However, savings alone are not enough to fund repairs and maintenance and the proposed rent increase policy is critical to enable the investment required to repair and improve the Council Homes. Provided the rent policy set out in this report is adopted, as a result of the funds already provided by the previous sale of void properties both as direct funding for the planned works programme and to repay debt, it is now possible to fund the remaining works from rents, by utilising some of the borrowing headroom over the life of the 40 year business plan.

5. STATUTORY CONTEXT

- 5.1 The HRA was established by statute to ensure that Council tax payers cannot subsidise Council rents and nor can Council rents subsidise Council tax. Failure to adhere to this statutory guidance can render the Council's annual report and accounts subject to challenge and/ or qualification by the District Auditor.
- 5.2 The HRA ring-fence was introduced in Part IV of the Local Government and Housing Act 1989, and was designed to ensure that rents paid by local authority tenants accurately reflect the cost of associated services. This act specifies that expenditure and income relating to property listed in section 74 of the Local Government and Housing Act 1989 (that is houses and buildings provided for the provision of accommodation including the land on which they sit, excluding leases taken out for less than 10 years to provide temporary accommodation) must be accounted for in the HRA. Schedule 4 of the Act (as amended by section 127 of the Leasehold Reform, Housing and Urban Development Act 1993) specifies the allowable debits and credits. The Housing (Welfare Services) Order 1994 further specifies more detail on the welfare services which must be accounted for outside the HRA.
- 5.3 The Local Government and Housing Act 1989 also specified that it is unlawful to approve a budget which will result in a debit position on HRA reserves.

6. ASSET MANAGEMENT

- 6.1 HRA reform sought to achieve the management of housing stock being supported by the income produced by that stock rather than annual transfers between central and local government. It therefore has provided the opportunity for the Council to adopt a pro-active asset management approach to creating a 40 year investment plan, including allowing for future investment needs, remodelling, rationalising and reinvestment of assets. This is in contrast to HRA business plans under Decent Homes that typically considered the programming and sequencing of building component replacement such as kitchens, windows and bathrooms but did not consider the wider opportunity for estate renewal and replacement as part of a strategic approach.
- 6.2 A new HRA Asset Management Plan, which included an update of the stock condition survey, was endorsed by Cabinet on 8th April 2013, this has formed the basis of the HRA business plan included in this report.

- 6.3 HRA reform has also brought with it more local accountability for determining rent levels and the maintenance of stock as Councils are no longer able to refer to funding decisions made by central government in the event of local dissatisfaction with rent levels or the maintenance of stock.
- 6.4 The inherited legacy of housing management at the London Borough of Hammersmith and Fulham (LBHF) is mixed. The Decent Homes programme has been completed. However in the context of a “business” managing 18,000 properties with an existing use value of circa £1.1 billion and an unrestricted open market value in excess of £4 billion there is an entirely inadequate level of reserves of circa £11 million (predicted as at 1st April 2015), equivalent to less than 8 weeks rent.
- 6.5 This not only provides insufficient cover against unanticipated events as noted in paragraph 4.10, but also encourages short term decision making rather than well planned and pro-active asset management. A further period of time will be required to rebuild the balances held from the currently predicted figure of circa £11 million as at 1st April 2015 to a level which can provide a secure basis for sustained and effective planned investment in the stock that should lead to higher levels of customer satisfaction.
- 6.6 In order to achieve a sustainable HRA ideally the costs of managing and maintaining the housing stock should be funded from rents and service charges, combined with a prudential approach to borrowing and without reliance on disposals, thereby balancing the interest burden on the HRA whilst supporting the need to invest in the housing stock.
- 6.7 Current revenues, including rents, do not adequately cover the combined costs of management, repairs and maintenance and this has led historically to under investment in the stock and more recently, a reliance on the disposal of the sale of empty Council Homes to fund current expenditure together with a rent policy that has increased rents for properties of 4 bedrooms and more at a significantly higher rate than that expected under the Government’s rent restructuring regime. However, average rents currently charged by LBHF still remain generally below those of other London housing authorities, and significantly below many of these authorities, as shown in Appendix 9.
- 6.8 It is now proposed to revise rent policy in favour of lower rent increases that will be more affordable to tenants (see section 9 below). Recent remodelling of the Financial Plan for Council Homes has demonstrated that despite lower planned rent increases being proposed from 2015/16 onwards than under the previous policy, an affordable series of rent increases coupled with a savings programme and a prudential approach to borrowing will enable revenues to be increased and costs contained over time to build a more secure financial base, in order to move to a position where repairs and maintenance are wholly funded from rents and service charges.

7. BUDGET SETTING CONTEXT

- 7.1 A detailed analysis and review of the budgets has again been conducted and a zero-based approach taken to setting all budgets for 2015/16.

8. FINANCIAL STRATEGY

8.1 The overall strategic financial objectives for the HRA are to:

- enable the financing of a viable on-going repairs programme that improves and maintains the stock in good repair, catching up the repairs backlog by 2018;
- to fund this by undertaking a programme of prudential borrowing whilst financing both the annual interest of new and existing debt and repayments of the principal debt on maturity (£205.3m as at 1st April 2015) over 40 years⁹;
- to ensure tenants only receive affordable increases in rent and other charges that are significantly lower than those included in the February 2014 HRA Business Plan.
- increase the HRA reserves balance to protect against future shocks or unanticipated events to the current average level of reserves held by London authorities as a percentage of turnover of 21% by 2022. This will mean reserves increase to £20 million¹⁰ by 2022.
- free resources for investment in new initiatives including new housing supply whilst improving service standards.

8.2 The new proposed Financial Plan for Council Homes covers a 40-year period and does not depend on the sale of empty Council homes to outside property investors. It contains the same level of repairs to Council homes as the previous Housing Revenue Account Business plan approved by Cabinet in February 2014.

8.3 The 40 year time span is used because:

- The Council plan to address the repairs and maintenance backlog to bring the stock up to a good condition and keep it this way over this time period
- The Council borrows from the Public Works Loans Board for up to 50 years and a substantial proportion (38%) of the Council's current housing debt is not due for repayment until after 30 years with 21% of the Council's current housing debt not being due for repayment for over 40 years.

8.3 The key assumptions in the proposed new Financial Plan for Council Homes are:

- investment in existing stock has been updated to reflect the stock condition survey information and phasing which underpins the current HRA Asset Management Plan

⁹ All loans are from the Public Works Loan Board. It should be noted that early repayment of debt results in a substantial penalty charge at a punitive rate. Unless the debt is repaid as part of a debt restructuring exercise where it would generally be replaced by other loans this results in a substantial charge to revenue which the HRA cannot support. For example the penalty charge for repaying all the current debt would be approximately £49million, equivalent to 24% of the debt repaid.

¹⁰ The profile for the initial years is shown in Appendix 2, reserves do not build up evenly, the level at which they build increases over time.

- in accordance with the administration's manifesto pledge, the business plan has been remodelled to remove completely the need to sell Council homes as they become empty
- the income from and costs associated with the Housing Development Programme Business Plan 2013-2017 have been updated as has the impact of the Earls Court Regeneration Programme. No changes have been made to reflect the Administration's ambition to convert a substantial proportion of the Housing Development Programme to Social Rent and the proposed plan still assumes that the previously approved programme continues. However, this is currently under review and the proposed financial plan does contain sufficient debt headroom to enable this to happen;
- the proposed Financial Plan for Council Homes assumes a long term differential between Consumer Price Index (CPI) and Retail Price Index (RPI) of 1.0%. This is based on the middle of the Office for Budget Responsibility's (OBR) currently predicted long term divergence between RPI and CPI, the range for which is 0.8% to 1.3%. It should be noted that a differential of 1.3% would result in a lower reserves level and a significant 10% shortfall in capital investment;
- CPI is set at 1.2% for 2015/16 (in accordance with September's CPI) followed by a CPI assumption of 2.5% for 2016/17 and 2% for the remaining term;
- In addition to cumulative on-going annual efficiencies delivered in the four years to 31st March 2015 of £8.7million, the business plan includes a future savings programme which is set to deliver additional on-going additional cumulative efficiencies of £2.2m from 2015/16, rising to £4.8m by 2019/20 principally from reductions in back office costs. (i.e. £13.5m cumulative annual efficiencies since the return of management to the Council in 2011). Details of these proposed savings are set out in Appendix 3;
- In addition to being very sensitive to the differential between CPI and RPI as set out in above the plan is also very sensitive to increase in RPI. It is also sensitive to factors which impact on the level of income received, assuming no reduction in the capital repairs programme increases in voids and bad debts make the plan unviable as does a rent increase of CPI plus 1% or additional costs of £500k per annum. Should any one of these sensitivities become reality then without any compensating savings or increases in income, reductions would need to be made to the level of repairs.

8.4 Savings alone are not enough to fund repairs and maintenance, the Financial Plan for Council Homes has been modelled to remove completely the need to sell empty Council Homes and therefore a programme of prudential borrowing together with normal annual rent increases will need to be undertaken. The proposed Financial Plan for Council Homes will required an additional £16m of borrowing with planned borrowing reaching a peak of £221m in 2022/23 before being repaid over the remaining life of the plan¹¹.

¹¹ Note that at the end of the 40 year business planning term, the level of general reserves held under the base model scenario of £109m would be more than sufficient to repay the outstanding debt of £43m. The reason for the outstanding debt after 40 years is because the Council's HRA debt portfolio includes £43m of borrowing due to mature between April 2054 and March 2058.

8.5 The combined effect of the key assumptions outlined above and the effect on reserves can be seen in the 5 year Income and Expenditure account presented at Appendix 2. As noted previously, it is important to build the level of general reserves held by the HRA to enable a sufficient cushion to be held to protect against future shocks or unanticipated events.

9. FUNDING THE BUSINESS PLAN: COUNCIL HOMES RENT POLICY

9.1 As part of the Spending Round 2013, Government made a pledge on 26th June 2013 that social rents will increase by a maximum of the Consumer Prices Index (CPI) plus 1% a year from 2015/16 to 2024/25. This is however not a statutory requirement and Councils are able to deviate from this policy if they have a sound reason to do so.

9.2 In arriving at the debt settlement figure under HRA reform, Government made a number of assumptions, one of the most significant of which is the level of investment required to maintain HRA properties. Although major repairs allowances have been uplifted when calculating the HRA Reform settlement, the uplift¹² is insufficient to fund the on-going housing repairs capital programme required to adequately maintain the Council Homes to the level required to ensure the Council can both fulfil its obligations as a Local Housing Authority and to ensure the Homes continue to generate an income stream to fund the debt interest and repayments due as part of maintaining a viable HRA.

9.3 The Housing Repairs Capital Programme looks to build on the achievements of the Decent Homes programme, maintaining the standard whilst addressing the residual backlog of works that were not covered by that programme. The projects and works proposed in this programme have been the subject of a rigorous prioritisation exercise and represent broadly the minimum level of investment required to fulfil statutory obligations, to protect the health, safety and wellbeing of residents and to preserve the integrity of the housing stock. There remains much work to do; £51m of investment in stock via the capital maintenance programme is planned for 2015/16 alone with investment of £185m planned by the end of 2018.

9.4 Therefore, the Housing Capital Programme requires an investment of circa £13 million per annum in addition to major repair allowances (funded by revenue via depreciation) and leaseholder contributions. This can only be funded by a combination of further reducing expenditure either on maintenance / repairs or other services, by increasing income and by accessing new borrowing.

9.5 LBHF rents are lower on average than the majority of other central London authorities¹³ (2014/15 LBHF budgeted average rent is £105.21 per week compared to £95.64 - £123.80 per week in other central London boroughs, see Appendix 9) and only 10% of tenants had achieved rent convergence with target rents under the previous rent restructuring regime. This means that tenants in the same type of property pay very different rents.

¹² LBHF's major repairs allowance was uplifted by £2.5m per annum as at 2012/13 when HRA reform was implemented

¹³ Islington, Camden and Lambeth

- 9.6 Therefore, when arriving at the proposed business plan two different possible options for on-going annual rent increases were modelled and presented to tenants at the Tenants and Residents Associations Forum meeting on 23rd October 2014:
- CPI+1% with no continued convergence towards target rents
 - CPI+1% with each tenant who does not yet pay target rent paying an additional £1 per week
- 9.7 Rent increases of CPI+1%+£1 result in a Financial Plan for Council Homes where the peak debt is £220.7m in 2022/23. Debt repayment allowing for long term fixed debt¹⁴ occurs in 2052/53, 30 years after the peak debt has been reach.
- 9.8 Rent increases of CPI plus 1% per annum would result in the debt cap being reached halfway through the 40 year term of the business plan, thus curtailing any further capacity to borrow funds to meet the investment required under the asset management strategy. It results in debt never being repaid and in the repairs being unable to be funded.
- 9.9 To achieve a viable business plan with a rent increase of CPI+1% investment into the stock would have to be reduced by more than 6.3% each year. In practice this would mean not catching up the repairs backlog by 2018 and a significant reduction to future planned repairs and lift replacements. A 40-year business plan could not be justified as stock would start to fall into disrepair. It would require some difficult choices to be made which might include:
- Not replacing lifts, the current programme assumes that no lift will be more than 25 years old by 2018/19. The lifts planned for replacement are already well over 30 years old and when breakdowns occur component parts are difficult to source, resulting in prolonged periods out of service. Reducing funding would mean that some lifts would not be replaced until they were over 40 years old.
 - 35 blocks, primarily on the White City and the medium rise blocks on Clem Attlee are expected to receive replacement kitchen and bathrooms over the next 4 years. This would take several years longer if funding were reduced, all tenants would have to wait longer to receive kitchens and bathrooms and as these are not normally a health and safety issue it is likely there would be a number of years when no kitchens or bathrooms were replaced.
 - The current programme assumes all external and communal areas have been repaired and decorated between 2010 and 2018 and that this is then done every 6 to 7 years. Cutting funding would mean delaying the current programme and would mean only doing this on average every 10 years and that less work would be done.
-
- ¹⁴ Note that at the end of the 40 year business planning term, the level of general reserves held under the base model scenario of £109m would be more than sufficient to repay the outstanding debt of £43m. The reason for the outstanding debt after 40 years is because the Council's HRA debt portfolio includes £43m of borrowing due to mature between April 2054 and March 2058.

- Planned window replacements would not happen, there would be no opportunity to upgrade our street based stock to double glazed windows and windows installed in the early 90's would have to endure well past their expected life. These residents would not benefit from modern double-glazing for a very long time.
- Communal boilers and heating systems coming to the end of their useful life could not be replaced as planned, residents would probably have increasingly long periods without heating or hot water.
- The way the estates look could not be improved and extra facilities such as play areas could not be offered.
- No refurbishment of tenants halls would be possible
- No wide ranging energy efficiency measures such as solid wall insulation would be possible.

- 9.10 For example a 30-year plan with rent increases at CPI plus 1% with the reduced levels of housing repairs required to make the plan balance would mean not doing 20-25 lifts or not double- glazing around 380 properties each year (leaving 90 lifts unrepaired or 1,500 properties not double-glazed over a four-year period)
- 9.10 Ultimately, a rent increase on CPI plus 1% would potentially result in the Council's housing stock falling into disrepair and the Council would then be at risk of not being able to fulfil effectively its obligations as a local housing authority.
- 9.11 Applying a rent increase of CPI plus 1% per annum with an additional £1 per annum for tenants who pay less than target rent will enable both the full investment in housing repairs required by the asset management strategy and the repayment of all debt due to mature before the end of the 40 year term of the business plan, 30 years after peak debt is reached. This is because not only does it result in additional income, but it enables that income to be used to fund additional borrowing which can be repaid over the life of the plan. It will mean that the cuts in investment set out in paragraph 9.9 will not be required.
- 9.12 Tenants were consulted on and accepted the proposed new rent policy for Council Homes at the Tenant and Resident Forum meetings held on 23rd October 2014 and at the Economic Regeneration, Housing and the Arts Policy and Accountability Committee meeting on 4th December 2014.
- 9.13 Therefore a rent increase of CPI plus 1% per annum with an additional £1 per week for tenants who pay less than target rent is recommended.

10. RENTAL INCOME

Rents & Tenant Service Charges

Rents

- 10.1 The draft Budget for Council Homes for 2015/16 shown in Appendix 1 assumes tenant rents increase in line with the new proposed Council Homes Rent Policy

set out above in this report. The application of the Council's revised rent policy in Hammersmith and Fulham for 2015/16 leads to an average rental increase of 3.00% and an average combined increase in rent and service charges of 2.89%.

- 10.2 The Housing Revenue Account financial plan approved under the previous administration in February 2014 foresaw that rents would increase in April 2015 by the Retail Price Index plus 0.5%, plus an additional £2 for tenants who pay less than target rent¹⁵. This would have meant an average increase in rent and service charges of £5.17 a week, equivalent to a rise of 4.58%. Therefore the proposed 2.89% increase is significantly lower than the increase foreseen in the February 2014 Housing Revenue Account Financial Plan.

Tenant Service Charges

- 10.2 Fixed service charges were implemented and de-pooled from rents in April 2012. This approach has the advantage of giving tenants a high level of transparency regarding the service they can expect whilst minimising the administrative burden and resulting costs that would be generated by operating variable service charges for tenants. The use of fixed service charges rather than variable also ensures that tenants do not receive any unexpected bills for service charges¹⁶ thereby making it easier for tenants to budget.
- 10.3 The tenant service charge is inflated as part of the annual rent setting process. The Cabinet report introducing de-pooling of service charges (approved on 5th September 2011) set a policy for an annual increase in tenant service charges of up to RPI plus 0.5% in normal circumstances. However, following the linking of annual contractual inflation to the previous September's CPI to the repairs and maintenance and estate services procurements, it is planned to increase the tenant service charge for 2015/16 by CPI only. Therefore, the draft Budget for Council Homes for 2015/16 shown in Appendix 1 assumes tenant service charges will be increased to allow for inflation at 1.2% (September CPI).
- 10.4 Tenants will receive notification of their service charges as part of their rent increase letter in February 2014.

Combined Impact

- 10.5 The combined effect of the above rent and tenant service charge proposals will increase the average rent and tenant service charge by 2.89%. Together with a number of adjustments, this will increase rental income in the HRA by £1.453m in 2015/16. The main changes are shown in the following table:

¹⁵ The target rent for a property is calculated based on a number of variables including the 1999 property valuation. LBHF historic rents were so low that the majority of our properties do not achieve rent convergence until 2025.

¹⁶ Unfortunately because of OFWAT regulations this approach is not possible with Water and sewerage charges, these have to be subject to an annual reconciliation process which can result in an additional charge for tenants

Table 3: Rent & Tenant Service Charge Budget Movements

Description	With a 2.89% increase
	£000s
Original Net Budget 2014/15	(71,008)
Rent & Tenant Service Charges Increase	(2,071)
Adjustment for disposals due to Right To Buy sales and void sales approved pre-May 2014	747
Adjustment for extra day	(159)
Adjustment for voids	30
Net Budget 2015/16	(72,461)

- 10.6 Negative adjustments to the net rental budget are made for an assumed loss of rent due to stock changes. This relates mainly to 119 properties disposed of or expected to be disposed of under Right to Buy. Adjustments are also made for rent irrecoverable during the year. A positive adjustment is made to account for the additional income receivable as a result of the forthcoming leap year.
- 10.7 A 2.89% average increase in rents and tenant service charges combined equates to an average weekly increase for tenants of £3.26. An analysis of the weekly increase across all tenants is shown in the following table:

Rent & Tenant Service Charges Increase per week (£)	Number of Dwellings
Less than £1	104
Between £1 and £2	76
Between £2.01 and £3	1,853
Between £3.01 and £4	9,420
Between £4.01 and £5	833
Total	12,286

- 10.8 Under the new Council Dwellings rents policy, no tenant will see an increase greater than £4.88 per week.
- 10.9 The rent and service charges for properties under licence and hostels are also subject to rent restructuring, the net average increase in these charges is 2.74%. This net average increase represents the combined effect of an average rent increase of 3.36% and an average service charge increase of 1.2%.

Bad Debts, Voids and Welfare Reform

Voids

- 10.10 In line with 2014/15, voids have been budgeted for in 2015/16 at 2% of the gross rent roll as the impact of the recently introduced fixed term tenancies is not anticipated to have a significant effect on void rates in 2015/16.

Welfare Reform

- 10.11 The response of individual households to the Government's programme of Welfare Reform may impact on the Council's ability to collect rental income and will therefore result in increased bad debt charges in the HRA. Direct payments of benefits to social housing tenants as part of Universal Credit are expected to result in an increase in rent arrears.
- 10.12 Direct Payments are being implemented as tenants move on to Universal Credit. The Council is one of the ten pathfinder areas for Universal Credit, the initial pilot implementation which commenced on 28th October 2013 was only for a limited number of claimants and excluded those who were previously in receipt of housing benefit.
- 10.13 However, DWP have now rolled out Universal Credit for couples and singles for new and existing claimants and are expected to roll out Universal Credit for families from 2015/16 onwards, having closed down new claims to the legacy benefits it replaced. This means that in 2015/16 new and existing claimants will be entitled to benefit to cover their housing costs which may potentially impact on rent collection rates.
- 10.14 It is difficult to quantify the final potential impact; however, the Council is expected to gain "trusted partner" status which will enable the identification of Universal Credit claimants as they arise. Due to the difficulty in estimating the financial impact, both an allowance for an additional bad debt provision and a risk is included in the 2015/16 budget. A bad debt charge of £900k has been included for 2015/16 plus an additional allowance of £1,250k to provide for the financial impact of direct payments under Universal Credit. This gives a total budgetary provision for bad debt of £2.150m. There is a risk that the migration of tenants to Universal Credit moves at a faster pace than initially expected – this risk for 2015/16 has been included in the HRA key financial risks set out in Appendix 6.

11. RISKS

- 11.1 Appendix 6 summarises the risks to the HRA, the key risks are discussed below. All significant risks are included on the Housing and Regeneration Department risk register. The following risks can be specifically quantified and a judgement has been made when determining the numbers used in the HRA budget.

Welfare Reform

- 11.2 As explained in section 10, an increase has been made in the bad debt provision to provide for the potential impact on rent collection rates as a result of how individual households may respond to the various strands of the Government's Welfare Reform programme.
- 11.3 However, there remains some risk because though the Council has made provision for the inevitability that arrears will increase, it is very difficult to quantify the level of risk for direct payments. Given that the households involved are on very low income levels it is likely that the majority of this increase in arrears would be uncollectable and the annual exposure is estimated in the

region of between £600k and £3.5m per annum for 2015/16, assuming mitigating actions are in place. The maximum level of exposure is far higher; the total annual rent paid directly to the Council for HRA properties by Housing Benefit is approximately £43.1m. In terms of mitigation the Council is actively promoting payment by direct debit/ standing order to tenants and is expected to gain “trusted partner” status with the DWP in January 2015 as part of a detailed rent collection strategy. Under the proposed scheme, the Council will be able to apply directly to the DWP for “alternative payment arrangements” (APAs) for individual tenants before they fall into significant arrears. The APA would enable benefits for housing costs to be paid directly to the Council.

Other risks

11.4 There are also a number of risks, some of which apply more to future years. Again, these are detailed in Appendix 4, with a brief summary below:

- the impact of higher void rates in future years on income, maintenance, and management as a result of fixed term tenancies turning over;
- a general property market risk in regard to the HRA balances where accounting rules for impairment and revaluation losses / gains mean that any adverse movements may result in a charge to the HRA if there are insufficient revaluation reserves held;
- additional Health and Safety requirements and the impact of failing to comply on insurance cover;
- other maintenance risks including the risk of a large uninsured incident;
- a general market risk on re-procurement and recruitment, that prices might come in higher than expected, the risk of which is higher in better economic conditions. This includes corporate contracts which are recharged to the HRA via service level agreements;
- reopening the HRA reform settlement, the legislation allows this to be done;
- short term loss of income due to increased levels of Right To Buys, in the longer term it is possible to adjust costs but there is a short term impact;

12 CAPITAL CHARGES

12.1 The two main components of capital charges are the cost to the HRA of borrowing that has taken place to fund the capital programme, including the Decent Homes Programme, and the cost to the HRA of depreciation charges.

12.2 In line with the latest revised 40 year HRA business plan, it is planned to repay £13.0m of debt due to mature in 2015/16 and then refinance £11.5m of this in order to both meet the need for investment in repairs and improvements to Council Homes, and to balance the gap resulting from the reduced reliance on expensive void sales.

12.3 The combined effect of this net reduction in debt is expected to result in the annual interest cost in 2015/16 reducing to £10.7m (from £11.2m in 2014/15). This is because the Council expects to be able to finance new borrowing at a lower interest rate than the debt due to mature in 2015/16. The level of borrowing proposed within the Financial Plan for Council Homes is predicted to increase until 2022/23 before falling back over the term of the business plan. The plan for the next 10 years borrowing is set out in Appendix 8.

- 12.4 The Council's policy has been to use the Major Repairs Allowance (MRA) as a proxy for depreciation in the HRA for housing properties and this practice will not change for 2015/16. CLG's Settlement Payments Determination includes a five-year transitional period during which time Councils may use the uplifted MRA. The Council has subscribed to the transitional period and 2015/16 will be the penultimate year of operation. The increase in the depreciation charge for dwellings for 2015/16 is £0.6million taking the budget required to £16.8 million.
- 12.5 The transitional arrangements exclude non-dwellings depreciation which under previous accounting rules had no net effect on the HRA bottom line. For 2015/16, this charge has reduced by £93k resulting in a budget of £296k.
- 12.6 The transitional arrangements also exclude protection from a change in accounting regulations which means that impairment and revaluation losses on non-dwellings hit the bottom line if not contained within the revaluation reserve. This has been included in the risks schedule and is further elaborated in Appendix 6.

13. INFLATION

- 13.1 The Council's contracts for repairs and maintenance with MITIE and for housing management and estate services with Pinnacle attract annual inflation. The annual uplift is based on the September CPI¹⁷ prior to the beginning of the financial year in question. CPI as at September 2014 is 1.2%. Therefore additional budgetary provision has been made for repairs and maintenance of £160k and for housing management and estate services of £51k. Additionally, inflation of £17k has been provided for a number of other contracts, with all other inflationary pressures accommodated within the existing envelope of resources.

14. FEES, CHARGES, AND OTHER INCOME

Heating Charges

- 14.1 Tenants and leaseholders who receive communal heating (around 2,025 properties in total) pay a weekly charge towards the energy costs of the scheme. The Council meets the costs of heating in the year, and recharges tenants and leaseholders based on an estimated cost and usage.
- 14.2 The Council is part of the LASER energy procurement group, which purchases energy on behalf of 48 local authorities. A system of flexible procurement is used which should ensure that LASER tenders for new energy contracts on a rolling basis, so that it can purchase when rates are low.
- 14.3 As the new energy contract rates are not expected to be received until January 2015, an estimate has been prepared in consultation with the Council's Estate Services function who have provided an indication of the new contract rate the Council can expect to achieve. Based on this estimate, combined with the need to balance the heating account for the year, no increase in charges is proposed for 2015/16.

¹⁷ Consumer Prices Index

Garage and Parking Space Rents

- 14.4 A new charging policy for garages was approved by Cabinet on 24th June 2013. Garages are currently let on a monthly basis at a flat rate of £100 for a garage and £75 for a motorcycle garage. It is proposed to freeze the charges for 2015/16 pending a review of garages during 2015/16. Any proposed changes to the level of charging in the future will need to be considered within the context of a sustainable financial plan.
- 14.5 The level of charges among other neighbouring London Councils vary. For example, equivalent monthly charges for garages are between £130-£260 in Kensington and Chelsea, £53-£83 in Lambeth, £38-£127 in Islington, and £29-£236 in Camden. Prices for garages rented privately within Hammersmith & Fulham range from £1,800 to £2,500 per annum.
- 14.6 Parking charges vary depending on whether the parking space is located in a high or low demand area and on whether the licensee / tenant is a Council tenant, a Right to Buy leaseholder or a non-Right to Buy leaseholder. The current average weekly rent for a parking space let to a Council tenant is £2.72.
- 14.7 Following changes in law that limit the Council's powers to enforce parking on housing estates by private contractors, the Council is undertaking a review of parking on all housing estates in the borough with a view to introducing enforceable parking controls. Following a consultation process with all residents of all estates, the findings and recommendations arising will be presented to Cabinet during 2015, and any changes to charges will be agreed as part of that report. Pending the outcome of this review, no change in parking charges is being recommended as part of this report. It should also be noted that the level of income assumed for parking charges for 2015/16 has been reduced to take account of the changes in law and on-going review of parking.

Water Charges

- 14.8 The Council collects income from and pays charges on behalf of tenants and leaseholders. The Council has reviewed the approach to calculating the price at which water and sewerage services are resold to tenants to ensure that the amounts billed to tenants and leaseholders are in accordance with OFWAT's (the Water Services Regulation Authority) guidelines. In summary, OFWAT requires that "anybody reselling water or sewerage services should charge no more than the amount they are charged by the company". The guidelines allow for an administration charge to be added.
- 14.9 The review involved comparing the amount the Council charged tenants for water and sewerage during 2013/14 with the amount the Council was charged by Thames Water plus an administration charge. This also involved working with Thames Water in ensuring that the charges made to the Council for metered properties were in line with the actual water used. As a result, an adjustment was made to tenants' accounts in respect of 2013/14.
- 14.10 Following completion of the review of water charges for 2013/14 to ensure charges are in line with usage and taking into account the net impact of the actual increase applied last year to tenants charges, compared to the increase

applied by Thames Water, the average increase to tenants' water charges before any annual increase for 2015/16 is applied (as advised by OFWAT) is 0.6%. Within this, 9,779 tenants will see an average increase of 5% and 2,454 tenants will receive an average reduction of 21%.

- 14.11 The increase advised by OFWAT for 2015/16 will need to be overlaid on top of the above adjustment. OFWAT are currently conducting a price review, the outcome of which will be known in January 2015, Thames Water have also confirmed that they will not be issuing their proposed price increases to OFWAT for approval until January 2015. It is therefore proposed that any change to the water charges be agreed following OFWAT's approval in January 2015 and it is recommended that authority be delegated to the Executive Director of Housing and Regeneration to approve the increase in water charges in line with the increase set out in 14.9 above overlaid with OFWAT's decision. This will ensure that the Council fulfils its legal obligation to recover the water charges in full.
- 14.12 It is worth noting that OFWAT advised that that any increase for 2014/15 would be limited to the previous November's RPI plus 1.4%. The 1.4% refers to OFWAT's maximum acceptable increase over and above RPI. The latest published data confirms that at September 2014 RPI was 2.3%. Assuming a cap above RPI of 1.4% is repeated, this would limit any increase for tenants to 3.7%, in addition to the adjustment before any annual increase outlined above. Based on this scenario, the average increase for tenants would be 4.3%. Within this, 10,135 tenants will see an average increase of 9% and 2,098 tenants will receive an average reduction of 21%.

Advertising Income

- 14.13 The Council currently generates income from advertising hoardings located on Housing land, and an additional potential net income stream of £37k has been budgeted for 2015/16 as a result of the full year impact of new hoardings sites identified in the previous year. Legal and accounting advice has confirmed that the income and expenditure associated with advertising hoardings on HRA land should be accounted for within the HRA. This is also in line with the treatment applied to this type of income by the Council's Tri-borough partners.

Rents on Shops

- 14.14 The budget for commercial property rents for 2014/15 has been increased by £21k to £1.343m. This is explained by an increase of £60k in respect of the likely level of lettings achievable in the current climate in accordance with the terms of the associated leases and informed assumptions from Valuation & Property Services. Offsetting this increase is a reduction in the budget of £39k in respect of disposals currently in progress to existing tenants expected to be completed during or prior to 2015/16. The budget set for HRA commercial property incorporates a forecast void rate of 11%, based on the valuers views, to allow for economic conditions. Additionally, the budgeted increase in bad debt provision has been set at £92k for 2015/16 in order to prudently allow for economic conditions.

15 CONSULTATION

- 15.1 Tenants and residents have been consulted on the new rent policy via the Tenants & Residents Associations Forums held on 23rd October 2014.

- 15.2 Tenants and Residents were also consulted on the new rent policy at the Economic Regeneration, Housing and the Arts Policy & Accountability Committee on 4th December 2014 in order that the Committee could comment on the budget proposals in advance of any formal decision being taken by Cabinet on 5th January 2016.

16. EQUALITY IMPLICATIONS

- 16.1 The Equalities Impact Assessment (EIA) shows that rent increase and other increases in charges may impact disproportionately on groups who have a lower income level especially those who may be disproportionately represented in Council stock. However, these do not unlawfully discriminate and the Council considers the reduction of debt and the need to increase its reserves to be a legitimate aim.
- 16.2 It is not possible for the Council to mitigate the effects by subsidising the extra amount payable where there is a disproportionate impact as the Council needs to reduce its debt and build its reserves (as at set out in the report). However, the Council will have two dedicated housing officers on hand to help tenants and their households, there is access to Discretionary Housing Payments for cases which are particularly impacted by the rent increase and last year, the Council has substantially increased the incentive payments it makes to tenants who chose to downsize.

17 LEGAL IMPLICATIONS

- 17.1 The principal statutory provision governing the fixing of rent for Council property is contained in Section 24 of the Housing Act 1985. Sub-section (1) provides that authorities may "...make such reasonable charges.... as they may determine". However, this section has to be considered in the light of Section 76 of the Local Government and Housing Act 1989 which imposed a duty on local housing authorities to prevent a debit balance arising in their Housing Revenue Account ("HRA") and which also imposes "ring-fencing" arrangements in respect of such account. It is not possible for a local housing authority to subsidise rents from its General Fund.
- 17.2 Implications verified/completed by: Janette Mullins, Head of Litigation, Finance & Corporate Services.

18 FINANCIAL AND RESOURCES IMPLICATIONS

- 18.1 Comments are contained within the body of the report.
- 18.2 Implications verified/completed by: Kathleen Corbett, Director of Finance & Resources, Housing & Regeneration, 020 8753 3031

19. RISK MANAGEMENT

- 19.1 The principal risks are detailed in section 11 of this report, these are included in the departmental risk register.
- 19.2 Implications verified/completed by:

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.	TRA Forum papers 23 rd October 2014, Agenda item 5; Financial Update	Kathleen Corbett Ext 3031	Housing and Regeneration Department, 3 rd Floor Town Hall Extension, King Street, W6 9JU

Appendix 1
2015/16 Draft Housing Revenue Account Budget

Division	2014/15 Revised Budget	2014/15 Forecast Outturn	2015/16 Proposed Budget
	£000s	£000s	£000s
Housing Income	(75,698)	(75,617)	(77,484)
Housing Services	9,929	9,809	9,578
Commissioning & Quality Assurance	3,226	3,123	3,119
Safer Neighbourhoods	578	578	578
Adult Social Care	48	48	48
Housing Repairs	13,359	13,563	13,748
Property Services	2,058	2,052	2,163
Regeneration	331	376	267
Housing Options	399	346	369
Finance & Resources	9,552	8,370	9,661
Corporate Service Level Agreement Charges	5,324	5,324	5,503
Capital Charges	27,864	27,864	29,976
(Contribution to)/ Appropriation from HRA General Reserve	(3,030)	(4,164)	(2,474)
Opening Balance on HRA General Reserve	(7,494)	(7,494)	(11,658)
Closing Balance on HRA General Reserve	(10,524)	(11,658)	(14,132)

Appendix 2

5 Year Business Plan for Housing Revenue Account 2015/16 - 2019/20					
	2015/16	2016/17	2017/18	2018/19	2019/20
HRA revenue projections	Proposed Budget	Projection	Projection	Projection	Projection
	£000s	£000s	£000s	£000s	£000s
Income	(77,484)	(84,270)	(86,492)	(89,739)	(94,507)
Expenditure before savings and growth	73,729	77,284	77,871	80,087	81,679
Base HRA surplus for the year	(3,755)	(6,986)	(8,621)	(9,652)	(12,828)
Efficiencies*	(2,187)	(3,359)	(4,237)	(4,622)	(5,299)
Growth	1,168	1,284	1,305	1,328	1,351
Surplus before additional capital programme contribution	(4,774)	(9,061)	(11,553)	(12,946)	(16,776)
Available for Revenue Contribution to Capital Outlay or growth	2,300	5,500	11,517	10,452	14,130
Surplus for the year after additional capital programme contribution	(2,474)	(3,561)	(36)	(2,494)	(2,646)
HRA balance at year end	(14,132)	(17,693)	(17,729)	(20,223)	(22,869)

* Note that all figures including efficiencies are inflated in line with business planning assumptions

APPENDIX 3 HRA MTFS Saving plan

	Risk to Delivery	15/16	16/17	17/18	18/19	19/20	20/21
Original Efficiency Plan: additional reduction across all divisions		295	355	355	355	355	355
Reversal of procurement contingency		1,000	1,000	1,000	1,000	1,000	1,000
Reduce Contingency re: utilities not needed in future years		500	500	500	500	500	500
Additional savings programme focused primarily on reducing corporate overheads for IT and premises.		200	500	1,250	1,500	1,500	1,500
Additional savings on core costs resulting from better stock condition and better customer service.		0	0	0	0	500	500
Remove EU Life revenue contribution to Capital		192	192	192	192	192	192
Remove temporary growth for MTFS		0	250	250	250	250	250
Remove temporary growth for MITIE		0	500	500	500	500	500
Base savings programme		2,187	3,297	4,047	4,297	4,797	4,797

Appendix 4 Efficiencies & Income Movements

Efficiencies		
Division	Description	Amount £000s
Housing Services	Original Efficiency Plan: additional reduction across all divisions	295
		295
Finance & Resources	Additional savings programme focused primarily on reducing corporate overheads for IT and premises.	200
Finance & Resources	Reduce Contingency re: utilities not needed in future years	500
Finance & Resources	Remove EU Life revenue contribution to Capital	192
Finance & Resources	Reversal of procurement contingency	1,000
		1,892
Total		2,187

Item	Housing Income £
2014/15 Base Budget	(75,698)
Other Adjustments	
Increase in dwelling rents and tenant service charges	(1,453)
Alignment of Garage and Parking Space rents with forecast income	(162)
Increase in income from advertising hoardings	(37)
Increase in income from Leaseholder Service Charges	(40)
Other minor adjustments	(94)
2015/16 Base Budget	(77,484)

Appendix 5 Growth

Revenue Growth		
Division	Description	Amount £000s
Finance & Resources	Rent Income and Accounting Team (including service level agreement impact)	983
		983
Housing Repairs	MITIE handling of non-MITIE calls	23
Housing Repairs	Housing Repairs staff in the area offices	77
Housing Repairs	Additional Pension Costs	22
		122
Property Services	Gas Administration Officer	20
Property Services	Apprentice	16
Property Services	National Management Trainee	27
		63
Total Growth		1,168

The return of the Rent Income and Accounting function from FCS to HRD will result in an increase in SLA costs charged by the General Fund. Additionally, the team is being restructured to strengthen support for tenants and improve income collection performance particularly in the light of the switchover to Universal Credit.

The Council's Repairs & Maintenance contractor, MITIE, will expand their call handling service to cover a number of contracts which are not held by MITIE, as this provides better service to residents and a single call handling service for Property Services within HRD.

One member of MITIE's staff will be retained at each of the Council's area housing offices to provide a face to face point of contact for Repairs & Maintenance enquiries as this is highly valued by residents.

A revision to pension costs has resulted from a change in the forecast number of staff who transferred to MITIE as part of the procurement of the new Repairs & Maintenance contract.

The additional posts in Property Services relate to resourcing the enforcement function for access to properties to ensure the Council complies with the requirements of gas safety legislation. Additionally, additional resource is required to support key project work within the Property Services division.

Appendix 6: Key Risks 2015/16				
	Lower Limit £000s	Upper Limit £000s	Worst Case £000s	Future Risk £000s
Quantifiable Risks				
Welfare Reform - an increase has been made in the bad debt provision to provide some protection against the impact on rent collection rates as a result of the Government's Welfare Reform programme. However, there remains some risk as follows:				
- it is not possible at this stage to quantify the exact level of risk for direct payments as this depends on the rate of migration to the new system.	0	611	43,100	?
Right to Buy Disposals - a level of Right to Buy disposals (60 per annum from 2015/16 and then falling back to 20 per annum from 2017/18) has been assumed within the business plan. This takes account of the increased level of discount on RTB disposal levels, though there is a risk that unbudgeted levels beyond the Council's control could impact on the net income due to the HRA. The upper limit and worst case risks set out here are based on an assumption that the level of applications currently projected (300) all progress to RTB sales. The future risk assumes that there are 60 or more RTB sales each year.	0	1,200	1,200	200
Pension opt-in - this relates to the risk of all staff opting to join the local government employer pension scheme.	0	14	14	14
Total Quantifiable Risks	0	1,825	44,314	214

Appendix 6: Key Risks 2015/16

Unquantifiable Risks

Housing Repairs Ending of Current Contractual Arrangements – provision has been made within the existing budgets to cover potential additional costs associated with the winding up of the old contracts, though there is a risk that costs may exceed this provision and that costs may emerge at a later date.

Accounting for impairment and revaluation losses / gains - changes in accounting rules following self-financing regarding impairment and revaluation losses / gains mean that any adverse movements that cannot be funded by revaluation reserves will be an actual charge to the HRA bottom line. The current level of revaluation reserves of £102m represents 8.8% of the current stock valuation of £1,165m, so an impairment / revaluation loss of 8.8% would have to be suffered before the HRA would be affected.

Housing Repairs - unpredicted events may result in some additional expenditure (for example, following new health and safety directives, legislation, potential insurance claims from storm damage) on housing repairs, and financial provision has been made to mitigate against this risk.

Market Risk on Re-Procurement and Recruitment - There is a risk especially under better economic conditions that it will become harder to reprocure contracts or recruit staff at the predicted rates

Increase in void levels – this is likely to result from the new policy of fixed term tenancies and from management action taken to reduce under-occupation. The risks attributable to fixed term tenancies will not crystallise until 2015/16 onwards.

Service Level Agreements - any mid-year review of corporate SLA costs may impact adversely on the HRA particularly if contracts are retained in house resulting in higher than expected FTE numbers. In particular, in future years there is a risk that the shared services procurement may not deliver savings and that legislative burdens could increase costs.


Appendix 7: London Local Housing Authorities
General Reserves as a % of Turnover

Local Housing Authority	Turnover 2013/14	General Reserve at 31st March 2014	General Reserve as a % of Turnover
	£m	£m	%
H&F	77.3	7.5	10%
Triborough London Housing Authorities			
Westminster	102.4	93.2	91%
RBKC	54.9	18.9	34%
Other Neighbouring London Housing Authorities			
Wandsworth	138.1	105.8	77%
Brent	120.8	0.9	1%
Hounslow	82.7	27.8	34%
Ealing	68.8	4.7	7%
Hillingdon	61.3	22.8	37%
Harrow	31.5	3.6	11%
Other London Local Housing Authorities			
Southwark	280.5	23.5	8%
Lambeth	172.7	8	5%
Islington	170.7	14.1	8%
Camden	169.6	34.9	21%
Hackney	136.1	10.2	7%
Greenwich	122	23.7	19%
Newham	109.7	12.5	11%
Barking & Dagenham	108.8	8.7	8%
Haringey	108.5	26.6	25%
Tower Hamlets	90.2	17.2	19%
Croydon	87.5	10.8	12%
Lewisham	86.5	26.5	31%
Enfield	63	12.9	20%
Barnet	62.1	14.8	24%
Waltham Forest	58.9	3.3	6%
Sutton	37.6	2.8	7%
Kingston upon Thames	31	3.2	10%
Redbridge	28.5	4.9	17%
Average of Triborough Authorities			45%
Average of Triborough & Other Neighbouring Authorities			34%
Average of all 27 London Local Housing Authorities			21%

Appendix 8						
Housing Revenue Account Borrowing Plans 2014/15 - 2024/25						
Year	Borrowing Opening Balance	Principal Repayments	Debt Repayments	Additional Required Borrowing	Borrowing Bal/Cfwd	
	£000s pa	£000s pa	£000s pa	£000s pa	£000s pa	£000s pa
1	2014.15	207,717	2,414	0	0	205,302
2	2015.16	205,302	13,020	0	11,457	203,740
3	2016.17	203,740	5,866	0	3,110	200,983
4	2017.18	200,983	6,150	0	4,219	199,053
5	2018.19	199,053	3,784	0	1,785	197,054
6	2019.20	197,054	8,042	4,018	0	184,993
7	2020.21	184,993	9,461	0	21,598	197,130
8	2021.22	197,130	-	0	2,539	199,670
9	2022.23	199,670	-	0	20,982	220,652
10	2023.24	220,652	3,548	15,542	0	201,562
11	2024.25	201,562	13,009	13,741	0	174,812

Appendix 9: Central London Local Housing Authorities Weekly Rents: 2014/15	
Local Housing Authority	Weekly Rent 2014/15
	£
Lewisham	95.64
Hackney	98.86
Southwark	99.79
Greenwich	102.17
Hammersmith & Fulham	105.21
Lambeth	107.20
Tower Hamlets	108.63
Camden	109.76
Islington	111.38
Kensington & Chelsea	121.18
Westminster	122.15
Wandsworth	123.80
Average	108.81

Source: CIPFA Benchmarking Statistics; Westminster, Lambeth, Wandsworth directly sourced

	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 JANUARY 2015</p>
<p>CEASING THE LIMITED ASSET BASED VOIDS DISPOSAL POLICY</p>	
<p>Report of the Cabinet Member for Housing : Councillor Lisa Homan</p>	
<p>Open Report</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Wards Affected: All Wards</p>	
<p>Accountable Executive Director: Melbourne Barrett, Executive Director of Housing and Regeneration</p>	
<p>Report Author: Kathleen Corbett, Director of Finance and Resources (Housing and Regeneration)</p>	<p>Contact Details: Tel: 020 8753 3031 E-mail: kathleen.corbett@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. On the 18 April 2011, Cabinet adopted the Asset Based Limited Voids Disposal Policy. This policy set out the criteria under which empty Council Homes would be considered for sale and delegated the necessary authority to sell empty Council Homes to the Cabinet Member for Housing in consultation with the Executive Director of Housing and Regeneration, the Executive Director of Finance and Corporate Governance, and the Director (Legal and Democratic Services). This policy was originally created to: provide additional funding for repairs on Council Homes including wider estate improvements; repay debt; and provide funds for future investment in housing and regeneration.
- 1.2. The new Administration wants to ensure that it stops the sale of Council homes to outside property investors. This report therefore proposes that the Council ceases to adopt the Asset Based Voids Disposal Policy and that any future disposals of Council Homes that are uneconomic to repair will only be considered if at least a one for one replacement home is provided as part of the disposal proposal. The report proposes that any such disposals are considered by full Cabinet.

2. RECOMMENDATIONS

- 2.1. That the Council no longer adopts the Asset Based Voids Disposal Policy and that all future disposals of Council Homes that are uneconomic to repair are considered by full Cabinet.
- 2.2. That any future disposal of Council Homes will only be considered if at least a one for one replacement home is provided as part of the disposal proposal.

3. REASONS FOR DECISION

- 3.1 The new Administration wants to ensure that it stops the sale of Council homes to outside property investors.

4. INTRODUCTION AND BACKGROUND

- 4.1. On the 18 April 2011, Cabinet adopted the Asset Based Limited Voids Disposal Policy. This policy set out the criteria under which a void housing property would be considered for sale and delegated the necessary authority to sell a property under this Policy to the Cabinet Member for Housing in consultation with the Executive Director of Housing and Regeneration, the Executive Director of Finance and Corporate Governance, and the Director (Legal and Democratic Services). The policy was originally created to: provide additional funding for repairs on Council Homes including wider estate improvements; repay debt; and provide funds for future investment in housing and regeneration. This report reviews this policy.

5. PROPOSAL AND ISSUES

- 5.1. This report proposes that the Council no longer adopts the Asset Based Limited Voids Disposal Policy in order to stop the sale of Council Homes to outside property investors. It recognises that there will be some empty Council Homes which it is simply uneconomic to repair. It proposes that empty Council Homes which are uneconomic to repair are only disposed of if there is at least a one for one replacement and that any disposals are considered by full Cabinet.
- 5.2. It should be noted planned repairs in the business plan approved by Cabinet in February 2014 depended on £110 million income from sales under the Limited Asset Based Voids Disposals Policy. There is a proposal for a revised Financial Plan for Council Homes that is not reliant on void sales; however this plan requires a number of choices to be made in terms of the level of repairs carried out to Council Homes and rent levels. This is being considered separately by residents of Council Homes and is being considered separately by Cabinet.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. There are three options available: to continue with the current policy, amend the current policy or to cease the current policy.
- 6.2. The new Administration wants to ensure that it stops the sale of Council homes to outside property investors and therefore wishes to cease the current policy.

7. CONSULTATION

- 7.1. This proposal has been consulted on at Economic, Regeneration, Housing and the Arts Policy and Accountability Committee as part of the consultation on the Council's Housing Strategy on 11th November 2014.
- 7.2. In addition the Financial Plan for Council Homes, which is being considered separately by Cabinet, was consulted on at the Economic Regeneration, Housing and the Arts Policy and Accountability Committee on 4th December 2015. This considers the choices which need to be made in terms of the level of repairs and rent levels.

8. EQUALITY IMPLICATIONS

- 8.1 This report recommends a cessation of the application of the Asset Based Voids Disposal Policy adopted by the Council on 18/04/11. The 2011 decision took into account a full Equalities Impact Assessment (EIA) which said that any likely negative impacts would be on those protected groups who had a statistically greater need for larger (+4 bed properties) but that these negative impacts would be mitigated against by the benefits to the wider impacted groups resulting from the financial gains to HRA from disposing of these properties.
- 8.2 The 2014 paper states that the HRA finances can be managed without the need for disposal so long as the proposal to increase rental charges is given approval. It follows then that ending the Disposal Policy may result in positive impacts on the group outlined above but that the wider benefits as indicated in the 2011 report will not happen. However, there is a concurrent paper that is proposing a rent increase and, if that paper is agreed, the increased rental income will balance the unrealised income derived from the earlier voids disposal policy.
- 8.3 As this paper is recommending a reversal of an earlier decision, it is not necessary to carry out a full EIA of the effects of the recommendations of this paper. However, a full EIA is required on the recommendations of the rental increase paper and the findings of that EIA should be used to inform the decision made on this paper. This paper should be submitted with both the 2011 EIA and the 2014 Rent Increase EIA attached for reference.

8.4 Implications completed by: (David Bennett, Head of Change Delivery, Innovation and Change Management. 0208 753 1628.

9. LEGAL IMPLICATIONS

9.1. The Bi-Borough Director of Law comments that there are no legal requirements which would require the disposal of properties, in the circumstances outlined in the report.

9.2. Implications verified/completed by: (David Walker, Principal Solicitor (Property) 020 7361 2211)

10. FINANCIAL AND RESOURCES IMPLICATIONS

10.1. £50m of investment in stock via the capital maintenance programme is planned for 2015/16 alone and plans are in place to catch up the planned repairs backlog by investing £185 million into the stock by the end of 2018.

10.2. It should be noted that this investment was based on the business plan approved by Cabinet in February 2014 which depended on £110 million income from sales under the Limited Asset Based Voids Disposals Policy. There are proposals for a revised Financial Plan for Council Homes that is not reliant on void sales however this plan requires a number of choices to be made in terms of rent levels and the level of repairs carried out to Council Homes. The Financial Plan for Council Homes is being considered separately by Cabinet.

10.3. Implications verified/completed by: Kathleen Corbett, Director of Finance and Resources (Housing and Regeneration), 020 8753 3031

11. RISK MANAGEMENT

11.1. The proposals contribute positively to the management of community needs and expectations risk, for the provision of Housing, as noted on the Strategic Risk Register. Risk number 8 managing statutory duty.

11.2. Implications verified / completed by: Michael Sloniowski 020 8753 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.	Asset Based Limited Voids Disposal Policy	Kathleen Corbett Ext 3031	Housing and Regeneration Department, 3 rd Floor Town Hall Extension, King Street. W6 9JU

	<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">5 JANUARY 2015</p>
<p>AWARD OF THE FRAMEWORK AGREEMENTS AND CALL OFF AGREEMENTS FOR ADVOCACY SERVICES</p>	
<p>Report of the Leader of the Council : Councillor Stephen Cowan</p>	
<p>Open Report</p>	
<p>Classification: For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Liz Bruce, Executive Director of Adult Social Care and Health</p>	
<p>Report Author: Callum Wilson, ASC Procurement Officer</p>	<p>Contact Details: Tel: 020 7 641 7125 E-mail: cwilson2@westminster.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The London Borough of Hammersmith & Fulham (H&F), along with the Royal Borough of Kensington and Chelsea, the City of Westminster and the three local Clinical Commissioning Groups, has approved the procurement of a suite of four professional one to one Advocacy Services.
- 1.2. The new services will help H&F to meet the requirements of the Care Act and will also lead to financial savings. Three of the services will be accessed by Adult Social Care. The other service will be accessed by Children's Services.
- 1.3. To enable H&F to benefit from the new services as soon as possible, and to ensure the new services can begin on 1st July, this report requests that the three Adult Social Care Framework Agreements and three H&F Call Off Agreements be awarded by the Leader of the Council, in conjunction with the Executive Director for Adult Social Care and Health.

2. RECOMMENDATIONS

- 2.1. That the Leader of the Council, in conjunction with the Executive Director for Adult Social Care and Health, awards:
 - 2.1.1. The three Framework Agreements that will be accessed by Adult Social Care, which H&F and the successful Providers will be party to, and from which the three boroughs can call off; and
 - 2.1.2. The three H&F Call Off Agreements that will be accessed by Adult Social Care and which will allow H&F to access the services and for which the contract period for is from 1st July 2015 to 30th June 2019.

3. REASONS FOR DECISION

This arrangement allows for earlier contract start date

- 3.1. The award of the three Framework Agreements and three Call Off contracts that will be accessed by Adult Social Care as set out in the above recommendations will allow, the contract start dates to be bought forward by at least three months, to July 1st 2015.
- 3.2. This would be advantageous as the new contracts will assist H&F to meet their statutory obligations under the Care Act and will lead to annual savings of at least £35,000. Thus, this arrangement will allow H&F to realise these benefits sooner.
- 3.3. This arrangement will also ensure the new contracts can begin on 1st July 2015. This will ensure there are no gaps in service provision as the 11 existing contractual arrangements across the three boroughs and three CCGs that the new services will replace are due to expire on 30th June 2015.

H&F Contract Standing Orders

- 3.4. The total spend for H&F over the four years is expected to be in the region of £325,000.
- 3.5. H&F Contract Standing Orders require that contracts with a maximum total estimated value of £100,000 are awarded by Cabinet. Provision exists for contract award to be delegated to the Leader of the Council.
- 3.6. In accordance with H&F Contract Standing Orders, the Framework Agreement for Children's Services will be awarded by the Cabinet Member for Children's Services and Education; and the Call Off Agreement for Children's Services will be awarded through the Children's Services Commissioning and Contracts Board.

4. BACKGROUND

- 4.1. The Adult Social Care Commissioning and Contracts Board approved the procurement of the four new Advocacy Services in April 2013. The three CCGs also signed off the procurement. The PQQ was completed in December 2013. The procurement was subsequently paused in order to provide time to review the new requirements of the Care Act 2014 in conjunction with CCG commissioners. This resulted in the modification of the specification to ensure compliance. Advocacy will become a statutory service under the Act from April 2015.
- 4.2. This has now been completed and the Invitation To Tender (ITT) will be published in early December 2014. H&F will be the lead procurement and contracting authority. The Tender Evaluation Model will use a Quality: Price ratio of 50:50.
- 4.3. One provider will be selected for each service and will be a party to Framework Agreement with H&F. Each borough will access the services via individual Call Off Agreements. The four Framework Agreements and 12 Call Off Agreements will all last for four years and begin on 1st July 2015.
- 4.4. The new services will replace 11 existing contracts currently operating across the three Boroughs which are funded by ASC and Health. All of the existing services are due to expire on 30th June 2015.
- 4.5. The four new Advocacy Services are defined by the Service User group they serve. These are: Vulnerable Adults; Learning Disability; Dementia and Older People with Mental Health; and Young People.
- 4.6. Young People constitutes a completely new service. It will be accessed exclusively by Children's Services and will be funded by Children's Services. The other three contracts will be accessed and funded by Adult Social Care and the Clinical Commissioning Groups.
- 4.7. The four new Advocacy Services will assist the Council to meet its statutory obligation to provide advocacy as outlined in the Care Act 2014. This act states that an independent advocate must be provided to support those people who, as judged by the local authority, have substantial difficulty in being fully involved in the care and support planning process. The aim of this Act is to ensure vulnerable people's rights are upheld. A separate advocacy service which is not included in this procurement, Independent Mental Capacity Advocacy, will also help the Boroughs meet their statutory obligation. The services will also enable the Council to meet its statutory obligations under the Mental Health Act 2007.

5. PROPOSAL

- 5.1. It would be advantageous for the Leader to award the contracts as it would allow the contract start dates to be bought forward by three months which would be beneficial for H&F. The reasons for this are outlined below:

- 5.1.1 The four new service specifications are Care Act compliant and will therefore assist H&F to meet their statutory obligations under the Care Act which comes into force in April 2015. Current advocacy services are not designed to meet the needs of the Care Act. Therefore, the timely introduction of the new services will benefit and support the vulnerable residents of H&F who require advocacy services.
- 5.1.2 If the Leader takes these decisions, the contracts will be awarded in early April 2015 rather than July 2015. This would allow for a contract implementation period of three months which would be highly beneficial as it would provide ample time to ensure the services and suppliers can meet the requirements of the Care Act.
- 5.1.3 The introduction of the new services will lead to financial savings for H&F ASC as outlined in paragraph 6.
- 5.1.4 The 11 existing contracts are due to expire on 30th June 2015. Delegation of authority will allow H&F Cabinet to ensure there is continuity of service provision. As advocacy safeguards vulnerable members of society, it is important there are no gaps in service provision.

6 FINANCE

- 6.1 H&F Adult Social Care currently spend £123,000 a year through the existing contracts the new services will replace. The annual budget for the new services is £88,000 which represents a saving of £35,000 a year.
- 6.2 H&F Children's Services will have an annual budget of £5,000. This will be used for Lot 4 as this service will be accessed exclusively by Children's Services.
- 6.3 Savings will also be generated through the 60% block payment and 40% spot payment model as payment will only be made for services that are provided. Lot 4 will be let on a 100% spot purchase.
- 6.4 If Cabinet delegate authority this would facilitate an earlier contract start date which would enable H&F to realise these savings sooner.

7. OPTIONS AND ANALYSIS OF OPTION

- 7.1 The alternative option is for H&F Cabinet to award the contract.
- 7.2 If this option is followed, owing to the lead in period required for the meeting, the contract could not be awarded until June 2015 at the earliest. This would mean the new services could not begin until late September 2015 which would delay the realisation of the benefits (see paragraph 5) the four new services afford.

8 EQUALITY IMPLICATIONS

- 8.1 If the Leader awards the contracts, the eligible service users in H&F, who are vulnerable members of society, will benefit from the improved services three months earlier.

9 LEGAL IMPLICATIONS

- 9.1 The statutory obligation to provide advocacy arises under the Mental Capacity Act 2005 sections 35 to 41 and under the Care Act 2014 sections 67 and 68 and the Care Support (Independent Advocacy) Regulations 2014. The Care Act obligations are due to come into force on 1st April 2015. The main body of the report provides detail of the proposed advocacy services that enable the three boroughs to fulfil their statutory obligations. (Care Act related legal implications (10.1) completed by: Kevin Beale, Head of Social Care and Litigation, Bi-borough Legal Services, 020 8753 2740.)
- 9.2 Health Services are Part B services for the purposes of the Public Contracts Regulations 2006 (Regulations). Currently Part B services are subject only to a few provisions of the Regulations – namely, obligations relating to technical specifications and post contract award information. Due to the value of the contracts, the Boroughs will need to ensure that they comply with the requirements for Part B services as set out in the Regulations, in the event that the recommendations are agreed.
- 9.3 It is noted that some time has lapsed between the PQQ stage and the ITT stage of the tender process. The Boroughs have a duty to comply with the general EU principles such as non-discrimination, transparency, proportionality and mutual recognition, and as such should ensure that it has not denied a Tenderer the opportunity to tender for the Services due to the delay in proceeding to the ITT stage of the tender process. It is understood that following market research undertaken by the client department there are no new entrants to the market for the Services and therefore the risk of a challenge is considered to be low. However a challenge cannot be ruled out completely as a potential provider for a number of reasons may not have been in a position to tender for the services at the time of the publication of the advert, but who is able to do so now if the procurement exercise was re-started; thus being denied the opportunity to tender for the Services.
- 9.4 Legal Services will be available to provide ongoing advice and assistance in relation to the procurement exercise to ensure compliance with the Regulations and the Contract Standing Orders.
- 9.5 Implications completed by: Kar-Yee Chan, Solicitor (Contracts), Bi-borough Legal Services, 020 8753 2772.

10 FINANCIAL AND RESOURCES IMPLICATIONS

Hammersmith & Fulham

- 10.1 The recommendation to tender 4 framework agreements for advocacy services, 3 of which Lots 1, 2 & 3 will provide services to Adult Social Care service users will cost £88k full year and is intended to replace the existing advocacy services currently funded with general fund budgets of £123k. The resulting saving full year of this proposal will be £35k. The existing health funding of £104k per annum is expected to continue at that level with no savings anticipated.
- 10.2 Implications completed by: Cheryl Anglin-Thompson, Principal Accountant x4022

Royal Borough of Kensington & Chelsea

- 10.3 All RBKC Budget figures are confirmed to be correct by the ASC Finance service. Existing health funding is expected to continue at that level with no savings anticipated.
- 10.4 Implications for RBKC have been verified/completed by: Gavin Thelwell, Finance Officer RBKC, 020 7361 3790

City of Westminster

- 10.5 The figures are as per WCC and correctly reflect the current budgets as shown in the report. There are no savings attached to these budgets as per the MTFs, so no financial implications moving forward.
- 10.6 Implications for WCC have been completed by: Rachel Boston, Business Partner WCC, 020 7641 7085.

11 RISK MANAGEMENT

- 11.1 The Adult Social Care and Children's Services departments are responsible for the management of contract and procurement risk and compliance with Contract Standing orders. Continuity of the provision of the advocacy service is paramount and continuity of service is noted as a key strategic risk on the council's risk register, risk number 4. The service contributes also to the management of risk 6, standards and delivery of care. As the current provision has time expired in relation to operation of previous contracts a direct award has been necessary prior to the new provider arrangements coming into effect.
- 11.2 Implications completed by: Michael Sloniowski Bi-borough Risk Manager ext 2587

12 PROCUREMENT AND IT STRATEGY IMPLICATIONS


- 12.1 In accordance with Contract Standing Orders (CSO's) a Cabinet Key decision is required for the approval of all contracts that have a total value of £100,000 or greater. However, the Leader may take decision to award these contracts. The Director agrees with the recommendations.
- 12.2 This is a Part B Service and is therefore exempt from the full rigours of European procurement rules. However there is still a requirement that this tender adheres to the principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality.
- 12.3 The tender evaluation model will use a Price: Quality ratio of 50:50. Contracts will be let using fixed budgets. Proposed budgets for the new contracts have been shared with appropriate staff from across the 6 funding agencies. A block and spot payment model at a ratio of 60:40 will also be used. This approach will ensure payment is only made for services that are provided.
- 12.4 capitalEsourcing will be used as the e-tendering portal. Prior to the most recent delay to this procurement exercise, the procurement was started on the London Tenders Portal. The Pre-Qualification Questionnaire was completed on this system, and the shortlisted providers were informed. The transition to capitalEsourcing has been completed smoothly, with all tenderers having registered on the system.
- 12.5 Legal advice was sought to ensure the PQQ which was undertaken in December 2013 was still valid. Advice stated that the risk of a challenge to the use of the existent PQQ was low if, after market research has been carried out, there were found to be no new entrants to the market who could provide these services and pass the financial standing test. Following market research consisting of an online study and communications with providers and other Councils, commissioners were satisfied that there were no new entrants. Consequently, the initial PQQ will be used for the remainder of this tendering exercise. See paragraph 10.3 for further information on this.
- 12.6 Implications completed by Callum Wilson, ASC Procurement Officer, 0207 641 7125. Verified by Joanna Angelides, Procurement Consultant, 0208 753 2586

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Agreement to Procure	Callum Wilson – 0207 641 7125	ASC Procurement

Agenda Item 14

 <p>h&f hammersmith & fulham</p>	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 JANUARY 2015</p>
ADULT SOCIAL CARE INFORMATION AND SIGNPOSTING WEBSITE – PEOPLE FIRST	
Report of the Cabinet Member for Health & Adult Social Care : Councillor Vivienne Lukey	
Open Report	
Classification: For Decision Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Liz Bruce, Executive Director, Adult Social Care & Health	
Report Author: Richard Biscoe, Project Manager, Adult Social Care	Contact Details: Tel: 020 7641 1456 E-mail: rbiscoe@westminster.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The Care Act 2014 places a series of new duties on local authorities about care and support for adults. Broadly, the purpose of these new duties is to ensure people who live in their areas:
 - 1.1.1. Receive services that prevent their care needs from becoming more serious
 - 1.1.2. Can get the information they need to make good decisions about care and support
 - 1.1.3. Have a good range of providers to choose from¹
- 1.2. The Care Act 2014 makes it clear that local authorities must provide information on a number of key areas that will help people understand how

¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/268678/Factsheet_1_update_tweak_.pdf

care and support works in their area, what care and funding options are available and how people can access care and support services.

- 1.3. The intention is to meet the above requirements of the Care Act 2014 through the use of the [People First](http://www.peoplefirstinfo.org.uk/) (<http://www.peoplefirstinfo.org.uk/>) website.
- 1.4. People First is a signposting and information site for the residents (or friends, family, carers etc.) of Westminster (WCC) and Kensington and Chelsea (RBKC). The site combines information and advice on topics from general health to home adaptations, to money and legal advice, to advice for carers, to activities and events happening locally, with information about products and services provided by third parties. There are also links to more detailed sources of information where appropriate. This site is also aimed at professionals in supporting the work they do with residents to help them stay independent. The site is based on a website portal platform that was purchased as part of the procurement of the new shared services Adult Social Care (ASC) case management system, Frameworki.
- 1.5. In addition to the information and signposting elements of the site, it is also proposed that self-assessment facilities be made available through People First, providing the potential for direct integration with Frameworki. This functionality would also address additional requirements of the Care Act 2014 around the provision of assessments to those who need / want them. This functionality would need to be properly scoped, designed, developed and implemented for all users of the site and would be a separate project to implementation.
- 1.6. We are now looking to add information about services and providers who operate in the London Borough of Hammersmith and Fulham (LBHF) to the site to create a local signposting and information service for residents.
- 1.7. The proposed length of the contract is 2 years from the 17/01/2015. This would reflect the outstanding duration of the current contract with Corelogic for the Adult Social Care case management system, Frameworki. Additionally, the People First contract has the option of a further 5 year renewal at the end of the initial two year period, in line with the arrangements available for Frameworki.

2. RECOMMENDATIONS

- 2.1. That approval be given to the inclusion of the London Borough of Hammersmith and Fulham on the People First Adult Social Care information and signposting website, the procurement of which will be managed under the contract with the Council's strategic IT partner.

- 2.2. That approval be given to amend the Adult Social Care pages of the LBHF corporate website² to direct website users to People First where appropriate.

3. REASONS FOR DECISION

- 3.1. The People First site is designed to meet the requirements of the Care Act 2014 as outlined in section 1, thus helping to manage the demand for ASC services in each participating boroughs.
- 3.2. The site is used by both the general public and also ASC practitioners, who refer people to it if they need certain information or use it face to face with service users when they visit (n.b. this is currently limited by technology available to practitioners, but we are hoping to address this via mobile working). Analytics information shows that approximately 15-20% of all visits to People First are by ASC practitioners or other staff from the three boroughs.
- 3.3. While the general information and advice on the site is applicable to anybody, website users from LBHF do not receive the additional benefits that the site can bring about through the use of the local events and news sections, service and product information provided in their area or links to other local resources. By way of example of the importance of this local information, the events page is the third most popular page of all time on the site (see Appendix 1). The provision of local information is also a key requirement of the Care Act 2014.
- 3.4. Service providers from LBHF are already keen to start advertising their products and services on the site and we have already been contacted by a number who wish to be able to do so. There are approximately 80 registered providers on the site at present.
- 3.5. Without LBHF procuring the People First site, the benefits which service users or their relatives are likely to receive as outlined in 3.1 – 3.4 is greatly reduced. LBHF would have to explore and implement a standalone solution for providing self-assessments and meeting the other requirements of the Care Act 2014, thus creating a significant duplication of effort.

4. INTRODUCTION AND BACKGROUND

- 4.1. People First is a new signposting and information service for adult residents, or those who care for or support residents, of the Royal Borough of Kensington and Chelsea (RBKC) and Westminster (WCC). The site is based on a similar, well used (but now retired) section of RBKC website, also called People First, but has been re-launched with a new structure, a new web address, new features and cleaner, clearer design.

² http://www.lbhf.gov.uk/Directory/Health_and_Social_Care/

- 4.2. The site is designed to treat people as experts on their own needs, with a clean and easy to use interface, making a virtue of colour, images and video. The site endeavours to celebrate the local by promoting local events and organisations as well as providing up to date and relevant news stories. People First also has a feature whereby related information, organisations, products and services are displayed when looking at content on the site. This allows us to signpost visitors to things they may not have considered. For example, when looking at pages about stroke, related organisations could include the British Jigsaw Society – this is because jigsaws are good for people recovering from a stroke. By providing visitors with information about how they can help themselves, we hope to reduce the number that reach crisis point and end up needing emergency intervention from social care or health services. However, we do not hide reference to these services.
- 4.3. The platform for the site was purchased as part of the procurement of the new shared services ASC case management system, Frameworki. As such, the platform offers the potential for integration with Frameworki, which raises the possibility of using People First to address some of the assessment requirements of the Care Act 2014.

Previous Submission to Cabinet

- 4.4. Reference to the People First site was included in the submission to Cabinet in September 2013, where it was stated the proposal would be submitted as a standalone report at a later date.

5. PROPOSAL

- 5.1. That People First is used to provide Adult Social Care signposting and information services (including local news, events, providers and services) to the residents and other associated people in LBHF.
- 5.2. That a project is established to carry out the following implementation activities:

Establish implementation project team and necessary governance structures

- 5.3. A business as usual (BAU) team is currently responsible for the day to day running of the People First website. It is anticipated that additional resources will be required for a finite period in order to deliver the changes detailed below. It is anticipated this team would require a part-time project manager and an additional resource for the editing of content and promotion of the website. It would also require a small amount of time, for oversight purposes, from the ASC IT Programme Manager.
- 5.4. Governance would likely follow established BAU channels, namely:

- People First Change Control Group ->
 - Operational Management Team ->
 - ASC IT Programme Board

This governance approach would be agreed as part of project start-up.

Update site infrastructure to accommodate a third local authority

- 5.5. The People First website currently contains a number of features that are configured for Westminster and Kensington and Chelsea only. These include the ability to select a geographic area for the provision of goods or services by providers (using postcodes) and the ability to have borough specific variations of information shown to users from different areas e.g. contact information for borough specific teams or contact centres.
- 5.6. These features will be enhanced by the site providers to allow for the addition of LBHF related information into these areas.

Incorporate LBHF information and resources into the People First site

- 5.7. The content on the People First website has been written so that is as encompassing as possible. However, LBHF content will need to be reviewed and where there are gaps in the content on People First these will be updated. It will also be necessary to update People First with certain pieces of LBHF specific information, such as contact details and details of local services that may not be available in RBKC or WCC.
- 5.8. It will also be necessary to ensure that ASC related publications are also transferred to People First from the LBHF website, or, where appropriate, that a non-branded version is available.

Inclusion of LBHF providers on the People First site

- 5.9. One of the key features of the People First website is that third party providers can register to advertise their products and/or services to website users. A number of providers are already registered on the site that provide goods/services in WCC and/or RBKC.
- 5.10. An exercise is currently underway to update the details of all of the providers migrated into the site from existing sources. This would be expanded to include addition of LBHF providers over the course of the next 8-12 months. As a result of this exercise, the self-registration element of the site has been suspended until August 2015.
- 5.11. In August 2015 the ability for providers to register themselves and maintain their information on People First will be turned back on. A timetable and detailed plan for reintroducing the registration process will be confirmed shortly.

Update the LBHF website to signpost to People First and reposition sovereign content as appropriate

- 5.12. Having ensured all LBHF related content is on People First, it would then be necessary to carry out a reorganisation of the existing ASC pages on the LBHF website. This will contain three key elements, as follows:
- 5.12.1. Remove materials now found on People First
 - 5.12.2. Where appropriate, move sovereign content (e.g. details on how to complain, LBHF specific ASC policies and reports etc.) to other sections of the LBHF site or to a new sub-section of the ASC pages
 - 5.12.3. Add redirects to the People First site from individual pages and/or landing pages
- 5.13. The exact nature of the above tasks would depend on the amount and type of content on the LBHF site and would be fully scoped and agreed as part of the project

Carry out promotional activities

- 5.14. The project team would undertake promotional activities with four main groups of people:
- 5.14.1. LBHF ASC staff – one of the key audiences for the site is practitioners in ASC as they can gather information for service users and use it as a resource on conditions that they may not be experts in.
 - 5.14.2. Non-ASC staff in LBHF – promotion with staff outside of ASC who may have a use for the site with their own service users e.g. Housing
 - 5.14.3. NHS partners – promotion of the site with NHS partner organisations, including GPs, mental and public health teams and pharmacists.
 - 5.14.4. The public – promoting the site to potential service users, their carer's, families or friends. This work can potentially be carried out in conjunction with Health Watch.
- 5.15. Previous launches have promoted the site to the above audiences via leaflet and poster distribution to relevant places (charity shops, faith groups, GPs, pharmacists, drop in centres), face-to-face briefings (e.g. to GP groups), group emails, news articles in local publications etc.
- 5.16. The exact type of promotional work would be fully scoped and agreed as part of the project.

Transition back to Business as Usual (BAU)

- 5.17. Once the activities above have been carried out the project team will carry out a project review with a view to closing the project and transitioning responsibility for the People First site back to the BAU management team.

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1. The only alternative option to implementing People First for LBHF, which brings all the benefits outlined above, is to continue maintaining a separate information and signposting section of the LBHF website³. This option is not recommended for the following reasons:

6.1.1. Duplication of effort – all of the information on the LBHF site is present on People First, as well as a lot more information that is not on the LBHF website. It would therefore be a duplication of effort to be maintaining information in two locations

6.1.2. Less local information and coverage – the LBHF site does not contain the local elements of the People First site, such as news and events. As the People First statistics show, such local information is extremely popular with site users. While the LBHF website does include a local resources directory, '*Where's your nearest*', this does not cover ASC related organisations⁴.

6.1.3. Separate development required for Self-Assessment functionality – People First is being explored as the potential solution for providing Self-Assessment functionality to the public, with direct integration to the Frameworki system. Without People First, LBHF would potentially have to develop a standalone solution.

6.1.4. Missing out on economies of scale – joining People First would present opportunities to benefit from future developments and features that LBHF would have to separately develop at a likely higher cost, or not develop at all.

6.2. The development of an alternative to the People First offering has not been pursued for the following reasons:

6.2.1. An alternative would not benefit from either the economies of scale, local features and other functionality available on the People First site.

6.2.2. The technical platform used to provide People First includes integration points with the Frameworki case management system that can potentially be exploited (e.g. for Self-Assessment functionality, as per section 1.5 of this document). It is highly unlikely that the providers of Frameworki, Corelogic, would allow this functionality to be reproduced for another web platform. If there were to allow this, the cost to do so would be significant in terms of both time and money.

³ http://www.lbhf.gov.uk/Directory/Health_and_Social_Care/Help_for_adults/homepage.asp

⁴ http://www.lbhf.gov.uk/Wheres_your_nearest.asp

7. CONSULTATION AND APPROVAL

7.1. The consultation and approval route is as follows:

DATE (2014)	EVENT	OUTCOME	STATUS
<3 July	Informal discussions and first draft of launch proposal	Draft document	Complete
3 July	Draft to Adult Leadership Team (ALTT)	Revise proposal	Complete
3 September	Initial briefing to Cllr Lukey	Revise proposal	Complete
8 September	ASC Contracting and Commissioning Board	Approval of procurement elements of the proposal	Approved
10 September	Final paper to Cllr Lukey	Approval to proceed	Approved
15 September	Revised version to ALTT	Approval to proceed to HASC&SIPAC and HFBB	Approved
5 November	Hammersmith and Fulham Business Board (HFBB) meeting	Approval to proceed to Cabinet	Approved
17 November	Health, Adult Social Care and Social Inclusion Policy and Accountability Committee (HASC&SIPAC)	Support and comments received	Complete
5 January 2015	Cabinet meeting	Final approval	Scheduled

8. LEGAL IMPLICATIONS

- 8.1. The Council's IT requirements are provided by HFBP under a service contract dated 01 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.
- 8.2. This report requests the approval of funding to enable the Council to be included on the People First Adult Social Care information and signposting website.
- 8.3. Implications verified/completed by: Kar-Yee Chan, Solicitor (Contracts) Bi-borough Legal Services, 020 8753 2772.

9. FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1. The cost of the People First portal for LBHF for a period of two years would be £170,250.
- 9.2. One off technical implementation costs are estimated at £73,590. Based on the RBKC and WCC implementation budgets, the project team budget is estimated at £29,210, including a small contingency. There would also be an annual maintenance charge to the site providers of £22,000, with an HFBP margin of £2,200 (10%) on top of this per annum.
- 9.3. Of the £170,250 total highlighted above
- 9.3.1. £127,000 has been earmarked to be funded from the Community Capacity grant allocation to pay for the technical implementation and the core project team, subject to Cabinet approval.
- 9.3.2. £43,250 has been earmarked from the Better Care Fund Implementation Grant, for the Care Act.

9.4. The budget breakdown is as follows:

Item(s)	Quantity	Unit Cost	Cost
System Associates Implementation Costs			
Standard Implementation	1	£ 26,565.00	£ 26,565.00
Configuration - non standard items	1	£ 9,900.00	£ 9,900.00
Authority licensing	1	£ 37,125.00	£ 37,125.00
First year's maintenance, hosting and support	1	£ 22,000.00	£ 22,000.00
Implementation Resources			
Content Assistant	40	£ 184.00	£ 7,360.00
Photography / Video Resources	3	£ 300.00	£ 900.00
Launch Assistant	40	£ 184.00	£ 7,360.00
Launch			
Launch Event	1	£ 900.00	£ 900.00
Promotional Materials	1	£ 3,200.00	£ 3,200.00
External Advertising	1	£ 3,000.00	£ 3,000.00
Testing / Outreach Incentives	50	£ 20.00	£ 1,000.00
Technical & Misc Costs			
HFBP Annual Contract Charge (at 10%)	1	£ 2,200.00	£ 2,200.00
Contingency	1	£ 5,490.00	£ 5,490.00
Project Management (at 15% total implementation)	1	£ 19,050.00	£ 19,050.00
Second year's maintenance, hosting and support	1	£ 22,000.00	£ 22,000.00
Second year's HFBP margin	1	£ 2,200.00	£ 2,200.00
CONTRACT TOTAL			£ 170,250.00

- 9.5. Implications verified/completed by: Prakash Daryanani, Head of Finance, Adult Social Care 020 8753 2523.

10. RISK MANAGEMENT

- 10.1. There are two forms of risk associated with this proposal – the risk associated with not progressing with the People First implementation in

LBHF and the risks associated with the technical implementation of People First, subject to receiving approval to proceed.

- 10.2. As highlighted in sections 3, 4 and 6 of this paper, the People First site is seen as a key tool in meeting the requirements of the Care Act 2014. The impact of not proceeding with an implementation of People First in LBHF would be threefold:
 - 10.2.1. No agreed central repository for updating Information and Advice to be compliant with the Care Act requirements;
 - 10.2.2. unable to provide consistent approach to Information and Advice across Adult Social Care based on using People First format; and
 - 10.2.3. unable to train staff in the management and provision of up to date information and advice compliant with the Care Act.

- 10.3. Potential mitigating actions would be:
 - 10.3.1. Explore potential for using LBHF corporate website to develop central repository of information and advice;
 - 10.3.2. Work closely with Comms, Change, and Workforce workstream and Quality, Advice and Safeguarding workstreams to ensure Care Act compliance and training requirement is delivered to timescales.

- 10.4. This risk has been discussed and agreed with Jerome Douglas, Senior Business Analyst, ASC and a risk has been added to the Care Act implementation project risk log.

10.5. Implementation (technical) risks

RISK	DETAIL	MITIGATING ACTION(S)	PROXIMITY / IMPACT
BAU Team Capacity	The ability of the BAU team to take on the additional workload that an LBHF launch may bring would need to be considered.	Additional BAU workload to be considered throughout the life of the implementation project. Project closure review to provide a proposal on the ongoing BAU requirements vs. BAU resource availability.	MEDIUM / MEDIUM
Corporate communications approach	Previous experience suggests corporate communications will need to be involved in discussions around ownership of ASC content on the corporate website and the best pathway(s) between the two sites. These discussions can be lengthy and need to be started early.	Early discussion with corporate communications to establish an open working relationship. Demonstration of approaches that have or have not succeeded in WCC or RBKC based on Google Analytics figures. Commitment to review approaches on an ongoing basis.	MEDIUM / MEDIUM
Divergence of LBHF user accounts	There may need to be a separate user account on People First that did not link to the LBHF “My account” system. This could potentially increase confusion and support overheads.	Consider whether integration of the two sites is possible at all Provide clear guidance to service user’s about the differences in accounts.	FAR / MEDIUM

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10.6. Implications verified/completed by: Richard Biscoe, ASC Project Manager, 0207 641 1456 and Jerome Douglas, Senior Business Analyst, ASC,

11. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 11.1. There are no procurement related issues as the recommendations contained in this report relate to an order to be placed under the contract with the Council's strategic IT Partner.
- 11.2. Implications verified/completed by: Joanna Angelides, Procurement Consultant, 020 8753 2586











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


No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	N/A		

OF APPENDICES:

Appendix 1 – All time most viewed pages on People First

Appendix 1 – All time most viewed pages on People First

Page	Pageviews	% Pageviews
1. /	23,060	 27.33%
2. /health-and-well-being.aspx	1,887	 2.24%
3. /events.aspx	1,628	 1.93%
4. /at-home.aspx	1,491	 1.77%
5. /things-to-do/travel-and-transport/freedom-passes.aspx	1,365	 1.62%
6. /at-home/staying-in-your-own-home.aspx	1,309	 1.55%
7. /looking-after-someone.aspx	1,158	 1.37%
8. /at-home/staying-in-your-own-home/support-in-your-home.aspx	992	 1.18%
9. /staying-safe/safeguarding.aspx	982	 1.16%
10. /at-home/staying-in-your-own-home/requesting-an-assessment.aspx	819	 0.97%

	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 JANUARY 2015</p>	
<p>FUTURE HIGHWAYS WORKS CONTRACTS</p>		
<p>Report of the Cabinet Member for Environment, Transport and Technical Services: Councillor Wesley Harcourt</p>		
<p>Open report</p> <p>A separate report on the exempt Cabinet agenda provides exempt information in relation to reviewing contract rates)</p>		
<p>Classification - For Decision Key Decision: Yes</p>		
<p>Wards Affected: All</p>		
<p>Accountable Executive Director:</p>		
<p>Report Author: Ian Hawthorn (Head of Highway Maintenance and Projects)</p>	<p>Contact Details: Tel: 020 87533058 E-mail: ian.hawthorn@lbhf.gov.uk</p>	

1. EXECUTIVE SUMMARY

1.1 Approval is sought to carry out the following options:

- In Hammersmith & Fulham to call off from Westminster's highway frameworks contracts on (A) Highways Maintenance Management and Public Realm Projects, (C) Bridges & Structures Maintenance Management and Improvement & (D) Gully Cleaning Service (LBHF only); analysis of all of these show possible savings.
- Street lighting and Tree Maintenance Contracts will be subject to procurement outside the Westminster framework. Therefore approval is sought to extend the current arrangements for a further 12 months. Our review has shown that the framework would not realise any savings by using the Westminster contract for street lighting with a possible increased cost, and the Street Tree Maintenance Contract which is purely an LBHF contract is not included in the framework. There is an opportunity to use either a Bi-borough Contract option or aligning with other

Councils or to continue with a new single borough Tree Maintenance contract all of which will be subject to further reports.

2 RECOMMENDATIONS

- 2.1 That Hammersmith & Fulham call off from the Westminster City Council framework contract which was awarded to F M Conway Ltd, commencing on 1 April 2015 for a period of 4 years and with a notional annual value of £9.4 million.
- 2.2 That approval be given to extend the arrangements for a 12 month period of both the Street Lighting and Tree Maintenance contracts to allow further tendering opportunities to be explored. (Both contractors have offered savings to extend the contracts).
- 2.3 To note that Westminster City Council will act as the Contracting Authority for the purposes of the Regulations and subsequently the employing borough for these Bi-borough contracts (subject to legal agreements between the boroughs for the management of the service).

3. REASON FOR DECISION

- 3.1 The works term contracts in both boroughs were due to expire at various times, either last year or this year. However, last year we prepared Key Decision reports in both boroughs recommending the alignment of the end dates by extending five contracts so that they all terminate in April 2015 (all the existing contracts are shown in appendix A). This has allowed us to explore most attractive options. Uniquely, there are a number of options open to both boroughs: which include continues with single borough contracts, create Bi-Borough Contracts, and join the LoHAC* Frame work contract, join the Westminster contract or create hybrid use of Westminster framework and Bi-borough contract.
- 3.2 Currently, the estimates of savings depending on the work area vary, but the minimum saving is expected to be around 11% on current contracts. In LBHF we would expect to be able to make a minimum of £180,000 in revenue savings with a further £200,000 from capital being reinvested in increased footway maintenance. With reference to RBKC it is expected that a similar saving could be achieved on the present work contracts if Contract A was used. Appendix B outlines the alignment of current contracts to the new Westminster contracts. Savings from a street lighting alternative option including a possible Bi-borough contract or joining other boroughs are unknown at present and are not included in the savings.
 - Lot A Highways Maintenance Management and Public Realm Projects
 - Lot C Bridges & Structures Maintenance Management and Improvement
 - Lot D Gully Service (LBHF only)
- 3.3 The LoHAC* framework contract provides a wide range of highway services and is available for any London borough to sign up some or all of its services. The first framework contract is the London Highway Alliance Contract (LoHAC) that has been let by Transport for London. LoHAC provides a wide range of highway services including design office work and is available for all London boroughs to call off. However it is primarily intended for work on the Transport for London Road Network (TLRN). Work on the TLRN tends to be large-scale with a high priority

placed on minimising disruption to traffic and expediency. This is reflected in TfL's tender assessment for LoHAC which placed a 70% weighting factor on Price and 30% on Quality. Historically, highway contracts in Hammersmith & Fulham placed a weighting factor of 60% on Price and 40% on Quality.

Officers had a number of discussions with LoHAC Representatives to agree price sample of a number of work areas including projects, footway and carriageway maintenance and gully schemes. Officers compared these completed samples with our own rates and whilst the LoHAC rates were lower in many areas, it was clear that the specification for the work items was dissimilar. Work items in LoHAC did not fully specify the instructions and constraints that we place upon our contractors. For example, we require our contractor to notify residents of their work programme and contact numbers by way of a letter-drop. They must arrange any necessary work permits and parking suspensions but must also be mindful of the need to keep parking suspensions to an absolute minimum. The cost of meeting these constraints will have been included in our contractors' rates but if they are not accounted for in LoHAC, then the LoHAC contractor will submit a claim for additional costs thereby eroding any savings achieved through the contract rates. A number of other London local authorities reached a similar conclusion and subsequently renewed or retendered their own contracts rather than use LoHAC.

- 3.4 Westminster City Council (WCC) has awarded a framework contract for highways and transportation services which has been drafted to enable both RBKC and LBHF to join the works elements of it should we wish to do so. After carrying out a number of exercises to determine what savings could be achieved, it has been identified that both boroughs could realise a possible minimum 11% saving on current single borough contracts. This would mean a minimum saving of just under £390,000 per borough on current contracts if they used Westminster Contract A. Included with the report on the exempt Cabinet agenda is a document assessing this contract option (Appendix C for Highway Maintenance and Projects and Appendix D for street lighting).

4. BACKGROUND

- 4.1 The framework contract Lots highlighted in the recommendation can be used up to the durations stated in the table below; however it is up to each council what length of time we want our call off to run.

Contract	Duration
Lot A - Highways Maintenance Management and Public Realm Projects	8 Years + up to 4 Years extension
Lot C - Bridges & Structures Maintenance Management and Improvement	8 Years + up to 4 Years extension
Lots D - Gully Service	8 Years + up to 4 Years extension

- 4.2 In certain works types, each borough currently operates different requirements for the specification of highways maintenance works. We have taken and will need to

continue to take into account our differing streetscape policies and political priorities when using and managing any framework contract.

- 4.3 In terms of the use of SME's for the main contract, it would be difficult for such a company to deliver some of the major scheme work require each year and be able to offer the reduced costs that the framework contracts can deliver. However the current and future tree maintenance contract is ideal for an SME and the company currently with the contract is a SME.

5. PROPOSAL AND ISSUES

- 5.1 To join the Westminster Contract for three key highway maintenance areas of paving and resurfacing, gully repair and highway enhancements works. In LBHF gully cleansing would also be procured via contract D.
- 5.2 There are two small contracts areas that do not fit into the current Westminster contract arrangements which are in LBHF. Tree Maintenance which is worth £200,000 and Winter Maintenance which is worth £80,000 and currently part of the paving contract. Officers are currently exploring the option of using the LoHAC Contract to delivery of Winter Maintenance and extending the present tree maintenance contract to explore further options.
- 5.3 A single contractor- FM Conway - was successful in two of the three contracts that we wish to join; however, FM Conway are a known contractor to both boroughs and currently undertake our paving contract in LBHF and Structures work in RBKC. Enterprise Mouchel is the contractor for gully services which is contract D.
- 5.4 It is proposed after assessment that street lighting work is under taken using a either a Bi-Borough Contract or exploring tendering options with other local councils. To enable this officers are seeking approval that the current street lighting contract is extended by 12 months to allow these further procurement options to be explored.

Risks

- 5.5 In case the call off process breaks down: there are still options within the existing contracts to extend some or all of the existing contracts by agreement, the programmed works could be deferred, or procured by framework contract or through LoHAC.
- 5.6 In case of failure during the contract, the risk to the Council could include delay in completing work or loss of external income. Where we are using Westminster contracts then there are Bi-Borough Contracts already drafted that can be procured.

Project Team

- 5.7 We have reviewed all the documents in the contracts process in consultation with the contract lawyer in Legal Services and in compliance with corporate Procurement and Health & Safety policies. This has included a meeting with Westminster to review in detail the call off procedures.

- 5.8 The project team includes the Head of Highways, the Chief Engineer Projects, the Group Leader Contracts and Special Projects and representatives from Corporate Procurement, Finance and Legal Services.

Corporate Issues/Best Value and Workforce Matters

- 5.9 We expect the Contractors to comply with the relevant health and safety legislation and with any reasonable request from the Councils for the purpose of ensuring compliance. We will assess health and safety documentation in conjunction with the Council's Health and Safety Advisor's guidance.
- 5.10 We will include clauses in the document requiring compliance with Environmental issues and requesting the Contractors policy and proposals.
- 5.11 Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) may be applicable to this service.
- 5.12 Typical annual work values per borough for the existing contracts are included in Appendix A. However, these will vary considerably each year.

6 OPTIONS AND ANALYSIS

- 6.1 a) Extend the existing contracts listed in Appendix A. **(Recommended Street Lighting and Tree maintenance only)**
- b) Enter into an access agreement with WCC to call off services from their framework contractor **(Recommended with the exception of Street lighting and Tree maintenance)**
- 6.2 Samples of comparison undertaken by NRP and independent consultants are attached as appendix C & D
- 6.3 In terms of how the contracts would work in practice, there are fully integrated contracts

7 CONSULTATION

- 7.1 This report was developed in consultation with all key officers associated with the service.

8 EQUALITY IMPLICATIONS

- 8.1 We expect the contractors to comply with the relevant Equalities legislation and with any reasonable request from the Council for the purpose of ensuring compliance.

9 LEGAL IMPLICATIONS

- 9.1 Legal Services will either review or draft all contract terms and conditions and advise as necessary.
- 9.2 Implications verified/completed: Babul Mukherjee Solicitor(Contracts)0207361 3410

10 FINANCE AND RESOURCE IMPLICATIONS

- 10.1 The total cost of the procurement process will be £12,000 shared equally between the two boroughs. The cost of procurement will be met from existing revenue budgets.
- 10.2 The new contract arrangements will be in place to meet the medium term financial savings plans for highways maintenance effective from 2015/16. Currently, the estimates of savings are expected to be around 11% as verified by an independent construction consultant. In LBHF a minimum of £150,000 in revenue savings per annum are forecast with a further £200,000 per annum from capital. It is proposed that capital savings are reinvested in the footways network in Hammersmith and Fulham.
- 10.3 Appendix A outlines the current highways works contracts and their typical annual values. The total value of all the contracts combined is £16.53 million per annum. This comprises of £5.73 million relating to RBKC and £10.8 million relating to LBHF. In terms of the three contracts A, C & D then this totals £9.47 million for Hammersmith and Fulham.
- 10.4 Street lighting and Trees Maintenance are not in scope of savings in this report and will dealt with in separate reports to follow.
- 10.5 Implications verified/completed by: (Gary Hannaway, Head of Finance, Ex. 6071)

11 PROCUREMENT IMPLICATIONS

- 11.1 These are outlined in the report and a procurement consultant was part of the project team that carry out the contract work and the report was presented to procurement board.
- 11.2 Implications verified/Completed by:(Alan Parry Procurement Consultant Ex 2581)

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

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	5 Contracts listed in Appendix A (Exempt)	Ian Hawthorn 3058	TTS/ Pembroke Road
2.	Westminster Contracts listed in the report (Exempt)	Ian Hawthorn 3058	TTS/ Westminster
3.	NRP Reports Appendices C&D (Exempt)	Ian Hawthorn 3058	TTS/ Pembroke Road
4.	Key Decision Report – Extension of Contracts 2013	Ian Hawthorn 3058	TTS/ Pembroke Road

LIST OF APPENDICES:

Appendix A – Existing Contracts both Boroughs

Appendix B – Assimilation Table of current contracts into Westminster's Framework Contract

Appendix C – Report of NRP on Cost Comparison Contract A (exempt)

Appendix D – Report of NRP on Cost Comparison Contract B (exempt)

Appendix E – Equality Statement

*LoHAC Brief History

- In July 2009 Transport for London (TfL) on behalf of the London Technical Advisory Group (LoTAG), Capital Ambition and the Office of Government Commerce (OGC) commissioned a project to consider the benefits of Pan London (TfL, London Boroughs and the City of London) collaborative procurement of Highway term maintenance and improvement works.

- In December 2010 TfL decided not to extend its Highways Works Maintenance Contracts past April 2013 and has led on the development to transform London's Highways management of which LoHAC is the key work stream.

- Preparations for LoHAC have included current pan London contract and market analysis, preparation of a common specification and contract design. All London Boroughs have been encouraged to contribute to this process and to share the outputs.

Appendix A

Existing Highway Works Contracts

LBHF

***Please note that the LBHF Contracts include the potential to carry out capital project not just maintenance works and therefore the nominal value is higher than RBKC Contracts that have separate contracts.**

Contract Name	Contractor	Contract Dates	Final date with extensions	Contract Nominal Value (per annum)	Contract Description
Paving Works	FM Conway	April 2009 to March 2014	March 2017	£6M	Planned and general footway maintenance. Capital works as required. Out of hours emergency standby service
Resurfacing & Road Markings	Colas	April 2010 to March 2015	March 2018	£3.1M	Planned and general carriageway maintenance. Capital works as required. Line marking of new carriageway works as required.
Public Lighting & Ancillary Works	ETDE	June 2012 to March 2015	March 2017	£1M	Public Lighting repair and renewal
Tree Maintenance	Advance Tree Services	April 2011 to March 2014	March 2017	£200k	Tree maintenance of highway trees
Drainage & Gully Cleansing	Eurovia	April 2009 to March 2014	March 2017	£500k	Cyclic & ad-hoc gully cleaning. Repair and renewal of road gullies and connections.

RBKC for reference

Contract Name	Contractor	Contract Dates	Final date with extensions	Contract Nominal Value (per annum)	Contract Description
Paving Works	J Murphy	April 2009 to March 2015	March 2017	£2.5M	Planned and general footway maintenance. Out of hours emergency standby service
Resurfacing	Eurovia	April 2010 to March 2015	March 2018	£1M	Planned and general carriageway maintenance.
Public Lighting	Eurovia	April 2010 to March 2015	March 2018	£1M	Public Lighting repair and renewal
Drainage	Cappagh	April 2009 to March 2015	March 2017	£300k	Repair/replacement road gully and connections.
Road Markings	Eurovia	April 2009 to March 2014	March 2017	£100k	Road marking maintenance
Highway Improvements	Balfour Beatty	April 2010 to March 2015	March 2018	£750k	Highway improvement scheme work
Bridges & Structures	FM Conway	April 2009 to March 2014		£80k	Bridges and structures maintenance

Appendix B Current contract assimilation table

LBHF Contract Name	Contractor	Contract Dates	Final date with extensions	Contract Nominal Value (per annum)	Contract Description	New Contract
Paving Works	FM Conway	April 2009 to March 2014	March 2017	£6M	Planned and general footway maintenance. Capital works as required. Out of hours emergency standby service	Westminster Contract A
Resurfacing & Road Markings	Colas	April 2010 to March 2015	March 2018	£3.1M	Planned and general carriageway maintenance. Capital works as required. Line marking of new carriageway works as required.	Westminster Contract A
Public Lighting & Ancillary Works	ETDE	June 2012 to March 2015	March 2017	£1M	Public Lighting repair and renewal	Possible Bi-Borough or shared Boroughs Contract from 2016/17
Tree Maintenance	Advance Tree Services	April 2011 to March 2014	March 2017	£200k	Tree maintenance of highway trees	Single LBHF Contract or shared borough contracts from 2016/17
Drainage & Gully Cleansing	Eurovia	April 2009 to March 2014	March 2017	£500k	Cyclic & ad-hoc gully cleaning. Repair and renewal of road gullies and connections.	Repair Westminster Contract A Cleansing Contract D

NOTICE OF CONSIDERATION OF A KEY DECISION

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

NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE

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

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

KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 5 JANUARY 2015 AND AT FUTURE CABINET MEETINGS UNTIL APRIL 2015

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

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

- Any expenditure or savings which are significant (ie. in excess of £100,000) in relation to the Council's budget for the service function to which the decision relates;
- Anything affecting communities living or working in an area comprising two or more wards in the borough;
- Anything significantly affecting communities within one ward (where practicable);
- Anything affecting the budget and policy framework set by the Council.

The Key Decisions List will be updated and published on the Council's website on a monthly basis.

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

If you have any queries on this Key Decisions List, please contact

Katia Richardson on 020 8753 2368 or by e-mail to katia.richardson@lbhf.gov.uk

Access to Cabinet reports and other relevant documents

Reports and documents relevant to matters to be considered at the Cabinet's public meeting will be available on the Council's website (www.lbhf.org.uk) a minimum of 5 working days before the meeting. Further information, and other relevant documents as they become available, can be obtained from the contact officer shown in column 4 of the list below.

Decisions

All decisions taken by Cabinet may be implemented 5 working days after the relevant Cabinet meeting, unless called in by Councillors.

Making your Views Heard

You can comment on any of the items in this list by contacting the officer shown in column 4. You can also submit a deputation to the Cabinet. Full details of how to do this (and the date by which a deputation must be submitted) will be shown in the Cabinet agenda.

LONDON BOROUGH OF HAMMERSMITH & FULHAM: CABINET 2014/15

Leader:	Councillor Stephen Cowan
Deputy Leader:	Councillor Michael Cartwright
Cabinet Member for Children and Education:	Councillor Sue Macmillan
Cabinet Member for Economic Development and Regeneration:	Councillor Andrew Jones
Cabinet Member for Finance:	Councillor Max Schmid
Cabinet Member for Health and Adult Social Care:	Councillor Vivienne Lukey
Cabinet Member for Housing:	Councillor Lisa Homan
Cabinet Member for Social Inclusion:	Councillor Sue Fennimore
Cabinet Member for Environment, Transport & Residents Services:	Councillor Wesley Harcourt

Key Decisions List No. 27 (published 5 December 2014)

KEY DECISIONS LIST - CABINET ON 5 JANUARY 2015

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>
January				
Cabinet	5 Jan 2015	<p>Interim Provision of Homecare Services</p> <p>Report requesting authority to spot purchase domiciliary care until the award of contracts currently out to tender.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Cabinet Member for Health and Adult Social 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	
Cabinet	5 Jan 2015	<p>Contract for the supply of temporary agency workers</p> <p>H&F's contract with Pertemps for the supply of temporary agency workers will expire on 1st October 2015 without the possibility of an extension. Given the importance of maintaining flexibility in resourcing, the overall contract value and the time scale for a tendering process, we are seeking decisions on the objectives, options and timescale for procuring a new contract.</p>	Leader of the Council	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
		<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>		
Cabinet	<p>5 Jan 2015</p> <p>Reason: Expenditure more than £100,000</p>	<p>Future Highway Maintenance Contracts 2015</p> <p>Options for future highway maintenance contract provisions.</p>	<p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Arif Mahmud Tel: 020 7341 5237 arif.mahmud@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>5 Jan 2015</p> <p>Reason: Expenditure more than £100,000</p>	<p>Exiting three Community Admission Bodies from the Local Government Pension Scheme</p> <p>H&F Pension Fund has seven Community Admission Bodies. Three no longer have any active members. Regulation 38 of the Local Government Pension Scheme (Administration) Regulations (the Regulations) now requires the Fund to treat these organisations as exiting employers. There are three options for doing this. Each deals differently with their outstanding liabilities and the exit payments required to cover those liabilities.</p> <p>The preferred option for exiting the organisations allows the Fund to fulfil its obligations under the</p>	<p>Cabinet Member for Finance</p> <p>Ward(s): All Wards</p> <p>Contact officer: George Lepine Tel: 0208 753 4975 george.lepine@HFHomes.org.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)
		<p>Regulations while recovering some of their deficit to the Fund. The paper recommends that H&F Council should agree to act as guarantor for all three organisations to enable the Pension Fund to exit them on an on-going basis and agree repayment plans with two of the three organisations.</p> <p>The recommendation has financial implications for the Council. It creates a liability which would be another factor to consider at the time of the next triennial review and might, therefore, impact on the Council's contribution rate. However, it may be helpful to have in mind here that the Community Admission Bodies accounted for only 0.8% of the deficit when it was last measured at the triennial valuation at 31st March 2013.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>		
Cabinet	5 Jan 2015 Reason: Expenditure more than £100,000	<p>Procurement of Information Technology and Communications services</p> <p>The report seeks approval for a tri-borough procurement of Information Technology and Communications services, the procurement strategy, the procurement and its funding</p>	Cabinet Member for Finance Ward(s): All Wards Contact officer: Jackie Hudson Tel: 020 8753 2946 Jackie.Hudson@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
		<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>		considered.
Cabinet	<p>5 Jan 2015</p> <hr/> <p>Reason: Expenditure more than £100,000</p>	<p>Adult Social Care Information and Signposting Website - People First</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>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Health and Adult Social Care</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Mark Hill Tel: 0208 753 5126 mark.hill2@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>5 Jan 2015</p> <hr/> <p>Reason: Expenditure more than £100,000</p>	<p>Corporate Revenue Monitor 2014/15 Month 7</p> <p>Update of Revenue Outturn forecast and approval of virement requests.</p>	<p>Cabinet Member for Finance</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

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>
				background papers to be considered.
Cabinet Full Council	5 Jan 2015 28 Jan 2015 Reason: Budg/pol framework	Council Tax Base and Collection Rate 2015/16 This report contains an estimate of the Council Tax Collection rate and calculates the Council Tax Base for 2015/16	Cabinet Member for Finance Ward(s): All Wards Contact officer: Steve Barrett Tel: 020 8753 1053 Steve.Barrett@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 Full Council	5 Jan 2015 28 Jan 2015 Reason: Budg/pol framework	Council Tax Empty Homes Premium This report outlines the provisions available to charge a Council Tax premium on properties that have been empty for more than two years	Cabinet Member for Finance Ward(s): All Wards Contact officer: Steve Barrett Tel: 020 8753 1053 Steve.Barrett@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 Full Council	5 Jan 2015 28 Jan 2015 Reason: Budg/pol framework	Localised Council Tax support scheme 2015/16 The Council need to agree a Council Tax support scheme for 2015/16	Cabinet Member for Finance Ward(s): All Wards Contact officer: Paul Rosenberg Tel: 020 8753 1525 paul.rosenberg@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet <i>(other relevant documents may be submitted)</i>
Cabinet	5 Jan 2015	Award of the Framework Agreements and Call Off Agreements For Advocacy Services That the Leader and Cabinet Member for Community Care, in conjunction with the Tri Borough Executive Director for Adult Social Care, award four Framework Agreements and Call Off Agreements which will allow H&F to access the services.	Leader of the Council	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	5 Jan 2015	Financial Plan For Council Homes: The Housing Revenue Account Financial Strategy, 2015/16 budget and 2015/16 Rent Increase This report considers the Financial Plan for Council Homes. This comprises of the Housing Revenue Account Financial Strategy, the long term financial plan for the Housing Revenue Account and the 2015/16 Housing Revenue Account Budget including the proposed 2015/16 rent and tenants service charge increases.	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	5 Jan 2015	Ceasing the Limited Asset Based Voids Disposal Policy This report considers the future disposal policy for property held for Housing Purposes	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 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>
Cabinet	5 Jan 2015 Reason: Expenditure more than £100,000	<p>Edward Woods Estate - Norland, Poynter & Stebbing Rooftop Apartments</p> <p>Proposals for reversion of the rooftop apartments for general needs tenancy</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Housing</p> <hr/> <p>Ward(s): Shepherds Bush Green</p> <hr/> <p>Contact officer: Stephen Kirrage Tel: 020 8753 6374 stephen.kirrage@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Jan 2015 Reason: Expenditure more than £100,000	<p>Delivering the Schools Capital Programme</p> <p>Award of a contract for constructions works and allocation of Capital Funds</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Children and Education</p> <hr/> <p>Ward(s): Addison; College Park and Old Oak; Wormholt and White City</p> <hr/> <p>Contact officer: David Mcnamara David.Mcnamara@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)
2 February				
Cabinet	2 Feb 2015 Reason: Expenditure more than £100,000	<p>Speech and Language Therapy Services - Extension of Service Level Agreements (2014-2016)</p> <p>Requests agreement to extensions to the Service Level Agreement's (SLA's) for speech and language therapy services for 2014 - 2016. The extensions are required to enable a procurement exercise to be completed.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Cabinet Member for Children and Education Ward(s): All Wards Contact officer: Alison Farmer Alison.Farmer@rbkc.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	2 Feb 2015 Reason: Expenditure more than £100,000	<p>Public Health Procurement, Contract Award, Extension, Variation Report</p> <p>Public Health portfolio of contracts moved to the local Authority in April 2013. This report is submitted to resolve some of the financial and legal concerns that have been highlighted since the transition. The Recommendation to approve contracts award/variation for Public Health services.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the</p>	Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Liz Bruce Tel: 020 8753 5001 liz.bruce@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)
		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	2 Feb 2015 Reason: Expenditure more than £100,000	<p>Transfer of 5 lodges from Environment, Leisure and Residents' Services (ELRS) to Housing (HRA)</p> <p>Approval is sought to transfer the properties from ELRS to Housing, and thus requiring appropriation from General Fund (GF) to the Housing Revenue Account (HRA).</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Housing</p> <p>Ward(s): Palace Riverside; Ravenscourt Park; Sands End</p> <p>Contact officer: Manjit Gahir, Danny Rochford Tel: 020 8753 4886, Manjit.Gahir@lbhf.gov.uk, Danny.Rochford@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	2 Feb 2015 Reason: Expenditure more than £100,000	<p>Property Asset Data Management - Proposed Call-Off</p> <p>Seeking approval to a proposed call-off contract.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the</p>	<p>Cabinet Member for Finance</p> <p>Ward(s): All Wards</p> <p>Contact officer: Maureen McDonald-Khan Tel: 020 8753 4701 maureen.mcdonald-khan@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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		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	2 Feb 2015 Reason: Affects 2 or more wards	New Approaches to Homelessness and Temporary Accommodation To set out new initiatives in the field of homelessness and temporary accommodation, including improving linkages with the third sector and the procurement of new forms of temporary accommodation. To set out a strategy to meet MTFS savings in the area of temporary accommodation.	Cabinet Member for Housing Ward(s): All Wards Contact officer: Mike England Tel: 020 8753 5344 mike.england@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	2 Feb 2015 Reason: Expenditure more than £100,000	Contract Award : Child Obesity Prevention and Healthy Family Weight Services To reduce the prevalence of obesity in the boroughs by helping children, young people and their families to eat healthier and be more active, tenders have been sought for two services: Lot 1 Planning, Policy and Workforce Development Lot 2 Prevention and Weight Management Programmes The report proposes that each of the three Councils enters into a contract with the recommended providers to deliver these services. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act	Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Liz Bruce Tel: 020 8753 5001 liz.bruce@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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		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 Full Council	2 Feb 2015 25 Feb 2015 Reason: Expenditure more than £100,000	Capital Programme 2015-19 This reports sets the Council's four-year capital expenditure budget for 2015-19.	Cabinet Member for Finance Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	2 Feb 2015 Reason: Expenditure more than £100,000	Capital monitor and budget variations 2014/15 (month 8) This report provides an update on the Council's Capital Programme and will request budget variations where necessary.	Cabinet Member for Finance Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet Full Council	2 Feb 2015 25 Feb 2015 Reason: Affects 2 or more wards	Revenue Budget & Council Tax Report This reports sets out the Council's 2015/16 revenue budget proposals	Leader of the Council Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	2 Feb 2015 Reason: Expenditure more than £100,000	<p>London Enterprise Panel - New Homes Bonus Programme</p> <p>DWP has top sliced the New Homes Bonus budget and allocated it to the London Enterprise Panel. Each London Borough has then been required to bid for the funding top sliced from their borough. For LBHF this is estimated as £1.6m.</p> <p>Activities have been required to align with LEP priorities. We have bid for a mixture of enterprise, employment and planning support.</p> <p>This report gives detail of the programme and asks for agreement of the Cabinet to accept the funding and deliver the programme of activities.</p>	<p>Cabinet Member for Economic Development and Regeneration</p> <p>Ward(s): All Wards</p> <p>Contact officer: Ingrid Hooley Tel: 020 8753 6454 Ingrid.Hooley2@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	2 Feb 2015 Reason: Expenditure more than £100,000	<p>Corporate Planned Maintenance Programme 2015/2016</p> <p>To provide proposals for the delivery and funding of the 2015/2016 Corporate Planned Maintenance Programme for the Council's property portfolio.</p>	<p>Cabinet Member for Finance</p> <p>Ward(s): All Wards</p> <p>Contact officer: Mike Cosgrave Tel: 020 8753 4849 mike.cosgrave@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	2 Feb 2015 Reason: Expenditure more than £100,000	<p>Shared services Sharepoint collaboration support</p> <p>The three Councils are using one collaboration site provided by RBKC ICT. RBKC therefore needs to ensure that costs are recovered from the other two councils. This paper deals with the charges which come to H&F.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the</p>	<p>Cabinet Member for Finance</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.

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		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	2 Feb 2015 Reason: Expenditure more than £100,000	<p>Delegation Of Authority To Award H&F Electronic Home Care Management System (HCMS)</p> <p>A HCMS will support the new Home Care services that are currently being let across the three Boroughs and will play a pivotal role in helping the new services achieve their main aims. As such, it will be beneficial for HCMS to be live by the time the new Home Care services are due to begin in July 2015.</p> <p>To enable H&F to benefit from the HCMS as soon as possible, and to ensure the system is fully functional by July 2015, it is requested that H&F Cabinet delegate the authority to award the H&F Call Off Agreement, that will allow H&F to utilise the shared HCMS, to the Leader of the Council and Cabinet Member for Health and Adult Social Care.</p>	<p>Cabinet Member for Health and Adult Social Care</p> <p>Ward(s): All Wards</p> <p>Contact officer: Tim Lothian Tel: 020 8753 5377 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	2 Feb 2015 Reason: Expenditure more than £100,000	<p>Adult Learning & Skills Service - New Management Information Service (ICT) Contract</p> <p>This report seeks Cabinet approval for a new 3-5 year contract to continue to provide a specialist Management Information Services (MIS) Adult Learning & Skills Service (ALSS). The Current MIS contract is held by Tribal Group Ltd and is due to end on 28th February 2015. A procurement process and market testing exercise was carried out</p>	<p>Cabinet Member for Economic Development and Regeneration</p> <p>Ward(s): All Wards</p> <p>Contact officer: Eamon Scanlon Tel: 020 8753 6321 Eamon.Scanlon@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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		<p>and completed by HFBP in October 2014. As a result of this exercise, Tribal Group Ltd came out as the market leader</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>		
Cabinet	<p>2 Feb 2015</p> <p>Reason: Expenditure more than £100,000</p>	<p>Framework Agreement for Semi-Independent Living Services</p> <p>Agreement to tender for a framework to deliver support and accommodation services for care leavers</p>	<p>Cabinet Member for Children and Education</p> <p>Ward(s): All Wards</p> <p>Contact officer: Terry Clark Tel: 020 7938 8336 terry.clark@rbkc.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>2 Feb 2015</p> <p>Reason: Affects 2 or more wards</p>	<p>Revised Enforcement Policy for the Environmental Health Service Group</p> <p>The current Enforcement Policy has been updated to comply with the Regulators' Code, which came into effect in April, this year. The policy has been approved in principle by the Cabinet Member and requires approval as a Key Decision, so that it can be adopted by the Council.</p>	<p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Valerie Simpson Tel: 020 8753 3905 Valerie.Simpson@lbhf.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>

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2 March				
Cabinet	2 Mar 2015 Reason: Expenditure more than £100,000	<p>Change ICT service desk provider</p> <p>At the end of the HFBP service contract the Council will need to transition all ICT services to other suppliers. By changing the service desk earlier than contract expiry, H&F will be able to reduce the effort, costs and risk and align to the one team Tri-borough. This paper recommends an early transition from the current service desk provider to the new service desk provider by calling off the Tri-borough framework contract which has the benefit of providing a consistent user experience for staff.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Cabinet Member for Finance Ward(s): All Wards Contact officer: Jackie Hudson Tel: 020 8753 2946 Jackie.Hudson@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	2 Mar 2015 Reason: Expenditure more than £100,000	<p>Corporate Revenue Monitor 2014/15 Month 9</p> <p>Update of forecast Revenue outturn and agreement of virement requests.</p>	Cabinet Member for Finance Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	2 Mar 2015 Reason: Affects 2 or more wards	<p>London Borough of Hammersmith & Fulham Cycling Strategy</p> <p>The Cycling Strategy sets out how the London Borough of Hammersmith & Fulham will improve the quality and extent of provision for cyclists, encourage more people to use bicycles, increase the number of journeys made by cycle, and improve public health outcomes.</p> <p>In order to achieve this, the Cycling Strategy develops an Action Plan that can be used to direct funding in a way that responds to the cycling needs of Hammersmith and Fulham residents / businesses.</p> <p>The Cycling Strategy is not a statutory document. However it has been identified as playing a crucial role in reducing congestion on our roads, relieving pressure on the public transport system, and improving the health of residents and visitors.</p>	<p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Rory Power Tel: 020 8753 6488 rory.power@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	2 Mar 2015 Reason: Expenditure more than £100,000	<p>Tri-borough Drug and Alcohol Core Services Recommissioning</p> <p>Approval to proceed report for the recommissioning of core drug and alcohol services across the Tri-borough</p>	<p>Cabinet Member for Health and Adult Social Care</p> <p>Ward(s): All Wards</p> <p>Contact officer: Nicola Lockwood Tel: 020 8753 5359 Nicola.Lockwood@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	2 Mar 2015 Reason: Expenditure more than £100,000	<p>Family Group Conference Services Contract Award</p> <p>Recommendations to approve the award of a multi-supplier Framework Agreement to 3 providers for the provision of Family Group Conference (FGC) services from 2nd January 2015</p>	<p>Cabinet Member for Children and Education</p> <p>Ward(s): All Wards</p> <p>Contact officer: Terry Clark Tel: 020 7938 8336</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation

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		until 1st January 2017 with the ability to extend for a further two years subject to satisfactory performance.	terry.clark@rbkc.gov.uk	and / or background papers to be considered.
30 March				
Cabinet	30 Mar 2015 Reason: Expenditure more than £100,000	Corporate Revenue monitor 2014/15 Month 10 Update Revenue Outturn forecast and agreement of virement requests	Cabinet Member for Finance Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
27 April				
Cabinet	27 Apr 2015 Reason: Expenditure more than £100,000	Procurement of a Homecare service for the London Borough of Hammersmith and Fulham (H&F); Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC) Seeking Cabinet agreement to the awarding of three new contracts for the provision of Homecare services in the London Borough of Hammersmith and Fulham. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Michael Gray Tel: 0208 753 1422 Michael.Gray@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.

**NOTICE OF CONSIDERATION OF AN ADDITIONAL KEY DECISION
PROPOSED TO BE MADE BY CABINET ON 5 JANUARY 2014
(published on 16 December 2014)**

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.

*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*

The decision 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.

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Cabinet	5 Jan 2015	Subscriptions/Affiliations for External Organisations 2015/16 To seek authorisation for continued participation in London Councils grant scheme, subscriptions to London Councils and Local Government Association for 2015/16	Cabinet Member for Finance	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk	