



London Borough of Hammersmith & Fulham

# Cabinet

## Agenda

**MONDAY**  
**2 MARCH 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**  
**20 February 2015**

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

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

### PUBLIC NOTICE

The Cabinet hereby gives notice of its intention to hold part of this meeting in private to consider items (13 to 15) 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 **4-10** 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 25 February 2015.**

### COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 4 March 2015**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Monday 9 March 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 9 March 2015**.

# Cabinet Agenda

2 March 2015

<u>Item</u>		<u>Pages</u>
1.	<b>MINUTES OF THE CABINET MEETING HELD ON 2 FEBRUARY 2015</b>	1 - 8
2.	<b>APOLOGIES FOR ABSENCE</b>	
3.	<b>DECLARATION OF INTERESTS</b>	
	<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.</p>	
4.	<b>CORPORATE REVENUE MONITOR 2014/15 MONTH 9</b>	9 - 55
5.	<b>2014/15 SECTION 106 EXPENDITURE</b>	56 - 63
6.	<b>KING STREET REGENERATION PROJECT AND 84-90B HIGH STREET FULHAM</b>	64 - 72

<b>7.</b>	<b>SPEECH AND LANGUAGE THERAPY SERVICE LEVEL AGREEMENT EXTENSIONS (2015-2016)</b>	<b>73 - 81</b>
<b>8.</b>	<b>EDWARD WOODS ESTATE - NORLAND, POYNTER AND STEBBING ROOFTOP APARTMENTS</b>	<b>82 - 90</b>
<b>9.</b>	<b>CORE DRUG AND ALCOHOL ADULT SERVICES RE-PROCUREMENT</b>	<b>91 - 128</b>
<b>10.</b>	<b>REVISED ENFORCEMENT POLICY FOR THE ENVIRONMENTAL HEALTH SERVICE GROUP</b>	<b>129 - 151</b>
<b>11.</b>	<b>KEY DECISIONS LIST</b>	<b>152 - 166</b>
<b>12.</b>	<b>EXCLUSION OF PRESS AND PUBLIC</b>	

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

<b>13.</b>	<b>EXEMPT MINUTES OF THE CABINET MEETING HELD ON 2 FEBRUARY 2015 (E)</b>	
<b>14.</b>	<b>KING STREET REGENERATION PROJECT AND 84-90B HIGH STREET FULHAM : EXEMPT ASPECTS (E)</b>	
<b>15.</b>	<b>SPEECH AND LANGUAGE THERAPY SERVICE LEVEL AGREEMENT EXTENSIONS (2015-2016) : EXEMPT ASPECTS (E)</b>	

London Borough of Hammersmith & Fulham



# Cabinet

## Minutes

Monday 2 February 2015

### **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

### **138. MINUTES OF THE CABINET MEETING HELD ON 5 JANUARY 2015**

#### **RESOLVED:**

That the minutes of the meeting of the Cabinet held on 5<sup>th</sup> January 2015 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

### **139. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

### **140. DECLARATION OF INTERESTS**

#### **RESOLVED:**

There were no declarations of interest.

### **141. REVENUE BUDGET AND COUNCIL TAX LEVELS 2015/16 REPORT**

Councillor Schmid commended the budget papers to the meeting. He said that the budget had received a good reception at the five Policy and Accountability Committees. He noted that the Budget focussed on cutting out waste and prioritising expenditure for front-line services.

**RESOLVED:**

That the recommendations in the report attached as Appendix 1 be agreed and recommended to Council for approval.

**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.

**142. TREASURY MANAGEMENT STRATEGY REPORT 2015/16**

Officers stated that the report had been discussed at the Finance and Delivery Policy and Accountability Committee (PAC) in January. The PAC was of the view that the property investment thoughts in paragraph 6.17 and 6.18 of the report would not be appropriate for the Council to consider. While the PAC was content for covered bonds as a principle, Members asked that officers come back with more detail around their structure and use before they are used as a treasury investment.

It was also reported that the CFR numbers in the report were out of date and they would be tied up to the Capital Strategy report.

**RESOLVED:**

- 1.1 That approval be given to the future borrowing and investment strategies as outlined in this report and that the Executive Director of Finance and Corporate Governance be authorised to arrange the Council's cash flow, borrowing and investments in 2015/16.
- 1.2 In relation to the Council's overall borrowing for the financial year, to note the comments and the Prudential Indicators as set out in the report and the four year capital programme 2015/16 to 2018/19.
- 1.3 That approval be given to pay the Housing Revenue Account (HRA) investment income on unapplied HRA receipts and other HRA cash balances calculated at the average rate of interest (approximately 0.5% p.a.) earned on temporary investments with effect from 1 April 2014.

**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.

**143. CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2014/15 (THIRD QUARTER)**

**RESOLVED:**

That approval be given to the proposed budget variations to the capital programme totalling £27.2m (summarised in Table 1 and detailed in Appendix 2).

**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.

**144. FOUR YEAR CAPITAL PROGRAMME 2015/16 TO 2018/19**

**RESOLVED:**

- 1.1. That the General Fund Capital Programme budget at £31.7m for 2015/16 (paragraph 5.1, Table 2 and Appendix 1), be approved.
- 1.2. That the continuation of the Council's rolling programmes and the continued use of internal funding for 2015/16 General Fund Programme as set out in Table 3 (paragraph 5.2) and specifically as follows, be approved:
  - Capital receipts amounting to £5.48m to fund the Council's rolling programmes as follows:

	£m
Disabled Facilities Grant [ASC]	0.45
Planned Maintenance/DDA Programme [TTS]	2.50
Footways and Carriageways [TTS]	2.03
Parks Programme [ELRS]	0.50
<b>Total</b>	<b>5.48</b>

- Contributions from revenue amounting to £0.544m to fund the Council's rolling programmes as follows:

	£m
Controlled Parking Zones [TTS]	0.275
Column Replacement [TTS]	0.269
<b>Total</b>	<b>0.544</b>

- 1.3. That the existing capital receipts funded schemes in the Schools programme of £441,000 previously approved, but now scheduled for 2015/16 (paragraph 5.2, Table 3), be noted.
- 1.4. That the Housing Programme at £94.2m for 2015/16 as set out in Table 5 (paragraph 7.2) and Appendix 1 of the report, be approved.
- 1.5. That the annual Minimum Revenue Provision policy statement for 2015/16 in Appendix 4 of the report, be approved.
- 1.6. That the Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Indicators as set out in Appendix 5 to the report, be approved.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

**145. CORPORATE PLANNED MAINTENANCE PROGRAMME 2015/2016**

**RESOLVED:**

- 1.1 That approval be given to the 2015/2016 Corporate Planned Maintenance Programme and project budgets as set out in Appendix A to the report, subject to any amendments as agreed for operational reasons by the Executive Director of Finance and Corporate Governance and the Director for Building and Property Management.
- 1.2 That the 2015/2016 Corporate Planned Maintenance Programme will be monitored, incorporating operational changes made by the Executive Director of Finance and Corporate Governance and the Director for Building and Property Management, via progress reports to Corporate Asset Delivery Team and the appropriate Cabinet Member, 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.

**146. FRAMEWORK AGREEMENT FOR SEMI-INDEPENDENT LIVING SERVICES**

Cabinet welcomed the report which had a lot of input from the children who access the service.

**RESOLVED:**

- 1.1. That approval be given to undertake a tender exercise for a Multi-Supplier Framework Agreement for Semi-independent Living Services for LAC 16+ and Care Leavers.
- 1.2. That approval be given to name the Royal Borough of Kensington and Chelsea and Westminster City Council as participating authorities on the framework.
- 1.3. That the Leader of the Council and the Cabinet Member for Children and Education appoint suppliers onto the Framework for Semi-independent Living Services in line with the procurement process outlined in this report up to a maximum value of £5,000,000 (in excess of this figure the decision will be for full Cabinet).
- 1.4. That Cabinet delegate to the Cabinet Member for Children and Education the authority to enter into call-off contracts, with no volume guaranteed with all providers appointed to the framework agreement.
- 1.5. That Cabinet delegate to the Executive Director of Children's Services authority to issue individual placement agreements with call-off providers in line with section 24 of the Councils Contract Standing Orders.

**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.

**147. DELEGATION OF AUTHORITY TO AWARD ELECTRONIC HOME CARE MANAGEMENT SYSTEM (HCMS)**

**RESOLVED:**

That the Leader of the Council and Cabinet Member for Health and Adult Social Care, in conjunction with the Executive Director for Adult Social Care & Health, award the H&F Call Off Agreement for the Home Care Management System.

**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.

**148. ABOLITION OF CHARGING FOR HOME CARE SERVICES**

The Cabinet expressed delight that another manifesto commitment was delivered within a short space of time. The proposal will remove an indirect tax on the elderly and disabled. This was a clear message that the Council's mission is to be a voice for the voiceless, to reduce inequality in society and to ensure better access to services for residents.

**RESOLVED:**

- 1.1 That that abolition of charging for home care services provided to customers of the borough on 31<sup>st</sup> March 2015 be approved.
- 1.2 To note that for services delivered up to 31<sup>st</sup> March 2015, charges will still apply, and that these charges be pursued for a period of 3 months ending 30 June 2015.
- 1.3 To write-off total estimated outstanding home care debt of £133,000 as at 1<sup>st</sup> July 2015 and to delegate authority to write-off the debts to the Executive Director of Finance and Corporate Governance and the Deputy Executive Director and Director of Finance and Resources, Adult Social Care and Health.
- 1.4 To request additional provision for bad debt of £91,000 from Corporate Finance from the bad debt provision account.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

**149. DELEGATING POWERS TO LONDON COUNCILS**

**RESOLVED:**

That the Council sign the London Councils Transport and Environment Committee variation agreement attached as Appendix 1, delegating general wellbeing power under Section 1 of Localism Act 2011 to enable it to arrange appeal provisions under the Parking on Private Land Appeals (POPLA).

**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.

**150. KEY DECISIONS LIST**

**RESOLVED:**

The Key Decision List was noted.

**151. 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.]

**152. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 5 JANUARY 2015 (E)**

**RESOLVED:**

That the minutes of the meeting of the Cabinet held on 5<sup>th</sup> January 2015 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

**153. ADULT LEARNING & SKILLS SERVICE - NEW CONTRACT FOR MANAGEMENT INFORMATION SERVICES (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.

Meeting started: 7.00 pm

Meeting ended: 7.10 pm

Chair .....

# Agenda Item 4

 hammersmith & fulham	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>2 MARCH 2015</b>
<b>CORPORATE REVENUE MONITOR 2014/15 MONTH 9</b>	
<b>Report of the Cabinet Member for Finance – Councillor Max Schmid</b>	
<b>Open Report</b>	
<b>Classification - For Decision</b> <b>Key Decision: Yes</b>	
<b>Wards Affected: All</b>	
<b>Accountable Executive Director:</b> Jane West – Executive Director of Finance and Corporate Governance	
<b>Report Author:</b> Gary Ironmonger – Finance Manager (Revenue Monitoring)	<b>Contact Details: Gary Ironmonger</b> Tel: 020 (8753 2109) E-mail: <a href="mailto:gary.ironmonger@lbhf.gov.uk">gary.ironmonger@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1. The General Fund outturn forecast is a favourable variance of £4.464m. with budget risks of £4.994m This is before taking account of contingencies.
- 1.2. Departments are proposing to carry forward planned underspends of £1.398m (subject to maintaining the current level of underspend by each department) into 2015/16.
- 1.3. In addition Adult Social Care have requested that if the year-end departmental underspend is higher than currently forecast they are allowed to carry forward up to an extra £1.047m.
- 1.4. Environment, Leisure and Residents department are forecasting an overspend, but if a year-end underspend subsequently occurs they have requested that they are allowed to carry the full underspend forward.
- 1.5. Paragraphs 1.2 - 1.4 are subject to the overall General Fund financial position of Council at the year end and clearance by the Director of Finance in consultation with the Cabinet Member for Finance.

- 1.6. The HRA is forecast to be £0.636m underspent with HRA general reserves of £11.16m forecast to be carried forward to 2014/15.
- 1.7. Virement requests totalling £3.175 General Fund and £0.871m HRA have been proposed by departments in month 9.
- 1.8. In order to produce the final accounts to the statutory deadline of 30<sup>th</sup> June, a significant amount of activity is necessary. As a result of this activity there will be a number of areas where actions are required that normally need Cabinet approval (final budget carry forwards, use of reserves, budget virements, level of bad debt provision etc.). In order to meet the deadline, it is therefore proposed that decision making in relation to these issues is delegated to the Section 151 Officer with the confirmation of the Cabinet Member for Finance.

## **2. RECOMMENDATIONS**

- 2.1. To note the General Fund underspend of £4.464m and the HRA underspend of £0.636m
- 2.2. Subject to the overall General Fund financial position of the Council and the departmental underspend being higher or the same as the carry forward request at the year end and clearance by the Section 151 Officer in consultation with the Cabinet Member for Finance:
  - 2.2.1 To agree the carry forward of departmental underspends of £1.398m as detailed in appendix 11.
  - 2.2.2 To agree that Adult Social Care can carry forward budget underspend up to £1.325m to meet future identified budget pressures as outlined in appendix 1, subject to the final ASC outturn position and confirmation from the Cabinet Member for Finance.
  - 2.2.3 To agree that if a budget underspend in Environment, Leisure and Residents Services is achieved at year end they carry this forward to cover the budget pressures arising from Fulham Palace commitments as outlined in appendix 4. subject to the final ELRS outturn position and confirmation from the Cabinet Member for Finance.
- 2.3. To agree virements totalling £3.175m General Fund and £0.871m HRA (appendix 12).
- 2.4. To agree the request for the Section 151 Officer, with the confirmation of the Cabinet Member for Finance, to take the necessary decisions required to ensure the Council's accounts are closed by 30<sup>th</sup> June 2015.

### 3. REASONS FOR DECISION

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

### 4. CORPORATE REVENUE MONITOR (CRM) 2014/15 MONTH 9 GENERAL FUND

**Table 1: General Fund Projected Outturn – Period 9**

Department	Revised Budget At Month 9 £000s	Forecast Year End Variance At Month 9 £000s	Forecast Year End Variance At Month 7 £000s
Adult Social Care	64,939	(278)	(362)
Centrally Managed Budgets	27,568	(2,050)	(2,490)
Children's Services	48,399	2,350	1,505
Unaccompanied Asylum Seeking Children	1,013	223	198
Environment, Leisure & Residents' Services	31,504	99	129
Finance and Corporate Services	16,913	(420)	(404)
Housing & Regeneration	7,899	(1,013)	(660)
Library Services (Tri- Borough)	3,239	(45)	(30)
Public Health Services	346	(346)	(346)
Transport & Technical Services	16,033	(412)	(98)
Controlled Parking Account	(20,291)	(2,572)	(2,268)
<b>Net Operating Expenditure*</b>	<b>197,562</b>	<b>(4,464)</b>	<b>(4,826)</b>
<b>Interim Budget Savings</b>		<b>3,998</b>	<b>3,998</b>
<b>Revised Variance after Interim Savings</b>		<b>(466)</b>	<b>(828)</b>
<b>Key Risks</b>		<b>4,994</b>	<b>5,471</b>

\*Figures in brackets represent underspends against budget.

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

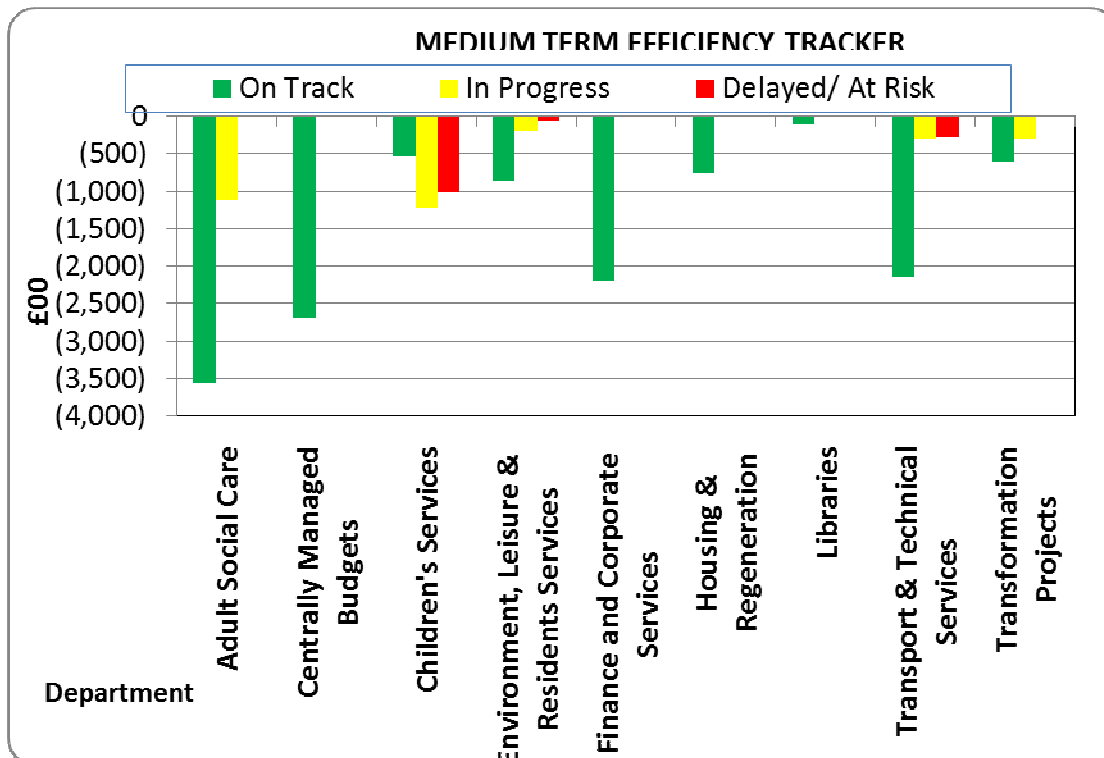
**Table 2: Housing Revenue Account Projected Outturn - Period 9**

Housing Revenue Account	£000s
Balance as at 31 March 2014	(7,494)
Add: Budgeted Contribution to Balances	(3,030)
Add: Forecast underspend	(636)
<b>Projected Balance as at 31st March 2015</b>	<b>(11,160)</b>
<b>Key Risks</b>	<b>1,389</b>

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 AND WRITE OFF REQUESTS

- 6.1. Cabinet is required to approve all budget virements that exceed £0.1m. Virements totalling £3.175m General Fund and £0.871m HRA are proposed as detailed in appendix 12.

## 7. CARRY FORWARD PROPOSALS

- 7.1. Departments have presented justifications to carry forward underspend budgets of £1.398m into 2015/16 (details in appendix 11). Consideration and approval of the carry forward proposals is sought in this report. If the year-end outturn is lower than the current forecasts, these carry forward proposals will be scaled down.

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

	<b>Underspend</b>	<b>Proposed Carry Forward</b>
<b>Department</b>	<b>£000s</b>	<b>£000s</b>
Adult Social Care	(278)	278
Finance and Corporate Services	(420)	100
Housing & Regeneration	(1013)	479
Library Services (Tri- Borough)	(45)	15
Transport & Technical Services	(412)	363
Controlled Parking Account	(2,572)	163
<b>Total Proposed Carry Forward of CRM9 Underspend</b>		<b>1,398</b>

- 7.2. In addition to the carry forward proposals above, Adult Social Care has requested that if their outturn underspend is greater than the CRM9 forecast they are allowed to carry forward the total underspend up to the value of £1.325m as outlined in appendix 1. Environment, Leisure and Residents Services have requested that if the department underspends at year end they are allowed to carry the underspend forward as outlined in appendix 5.

## 8. DELEGATED AUTHORITY FOR CLOSING ACCOUNTS

- 8.1. In order to produce the final accounts to statutory deadlines a significant amount of activity is necessary. As a result of this activity, there will be a number of areas where actions are required that need Cabinet approval (final budget carry forwards, use of reserves, budget virements, level of bad debt provision etc.). The process of taking these decisions via Business Board, Briefing to Cabinet and then Cabinet is too long to enable these decisions to be agreed and get the final accounts produced to the statutory deadlines. It is therefore proposed that decision making for all

issues in relation to closing the accounts is delegated to the Section 151 Officer with the confirmation of the Cabinet Member for Finance.

## **9. CONSULTATION**

9.1. Not applicable.

## **10. EQUALITY IMPLICATIONS**

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

## **11. LEGAL IMPLICATIONS**

11.1. Not applicable.

## **12. FINANCIAL AND RESOURCE IMPLICATIONS**

12.1. The General Fund is forecast to underspend by £4.464m and the HRA is forecast to underspend by £0.636m in 2013/14.

12.2. Delegation of decision-making on financial issues relating to closing the accounts to the Section 151 Officer with the confirmation of the Cabinet Member for Finance will enable officers to ensure that the Councils 2014/15 Accounts are closed within the statutory deadlines.

12.3. Implications completed by Gary Ironmonger, Finance manager (Revenue Monitoring). Tel. 020 8753 2109.

## **13. RISK MANAGEMENT**

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

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

14.1. Not applicable.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	CRM 9	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 11	Carry Forward Proposals
Appendix 12	Virement Requests

**APPENDIX 1: ADULT SOCIAL CARE**

**BUDGET REVENUE MONITORING REPORT – PERIOD 9**

**1. Variance by Departmental Division**

<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 9</b>	<b>Variance Month 7</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Integrated Care	44,483	917	548
Strategic Commissioning & Enterprise	11,640	(1,087)	(873)
Finance & Resources	7,943	0	0
Executive Directorate	873	(108)	(37)
<b>Total</b>	<b>64,939</b>	<b>(278)</b>	<b>(362)</b>
Interim Budget Savings Reported to Full Council on 23 <sup>rd</sup> July 2014		809	809
<b>Variance post Interim Savings</b>		<b>531</b>	<b>447</b>

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

<b>Departmental Division</b>	<b>Variance £000s</b>	<b>Explanation &amp; Action Plans</b>
Integrated Care	917	<p>There are continued pressures on the Home Care Packages and Direct Payments budgets as part of the out of hospital strategy, to support people at home and avoid hospital admission or to enable early discharge. This has led to an increase in home care costs above that which would have normally occurred. There is a net projected overspend of £776,000 in this budget which has increased by £122,000 since the period 7 report. Discussions with the Clinical Commissioning Group (CCG) around the new home care and Community Independence services will assist from 2015/16 to address the increasing demand of Care at Home. In addition, ASC has formally requested Health funding for these costs for 2014/15.</p> <p>Within the Older People and Physical Disabilities service, the Placement budget is projecting a net underspend of (£595,000). Included in this projection is (£157,000) as a</p>

Departmental Division	Variance £000s	Explanation & Action Plans
		<p>contribution from NHS funding for Social Care.</p> <p>Within the Learning Disability Service (LD), there is a net projected overspend of £743,000 which has increased by £219,000 since the period 7 report. The main reasons for the overspend relate to three transition customers being factored in (2 previously expected to be Continuing Care and one new customer) and a further five Social Care customers now staying for the full year, resulting in the net LD Placement projected overspend of £647,000. In the LD Direct Payment budget, there is a net projected overspend of £96,000 due to an increase of five customers. There is an Action Plan in place to monitor the progress of reducing the LD overspend.</p> <p>There are pressures emerging in the Assistive Equipment Technology budget with a projected overspend of £99,000 due to the out of hospital strategy and the additional spending on the Community Independence Services (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 (£143,000) in Mental Health Services is within the Placements budget with the 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.</p>
Strategic Commissioning & Enterprise	(1,087)	<p>Within this Division, (£552,000) of Supporting People costs and (£94,000) funding for employment costs are to be transferred to the Public Health grant. In addition there is a projected underspend of (£181,000) 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 a lower number of customers and (£101,000) lower</p>

Departmental Division	Variance £000s	Explanation & Action Plans
		costs in a range of directly managed services.
Finance & Resources	0	
Executive Directorate	(108)	Within the Directorate Division, there is a reduction in general training budget costs of (£115,000) which is partly offset by a net marginal overspend of £7,000 on advertising costs.
<b>Total</b>	<b>(278)</b>	

**Table 3: Key Risks**

Risk Description	Lower Limit £000s	Upper Limit £000s
Residential and Nursing Inflation Negotiation	0	127
<b>Total</b>	<b>0</b>	<b>127</b>

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

Department	2014/2015 MTFS Target £000s	On Track (Green) £000s	In Progress (Amber) £000s	Delayed/ At Risk (Red) £000s
Adult Social Care	(4,664)	(3,554)	(1,110)	0

### **5. Comments from the Executive Director**

Adult Social Care (ASC) is projecting a net underspend of (£278,000) as at the end of period nine, this is a decrease in underspend of £84,000 compared to period seven projected underspend of (£362,000). The main reasons for the change in the projection is increasing pressures in Home Care Packages and Direct Payments budgets as part of the out of hospital strategy, to support people at home and avoid hospital admission or to enable early discharge and pressures in the Learning Disabilities placement budget.

As part of the Administration's review of the 2014/15 General Fund revenue budget, ASC has identified three savings that can be achieved in this financial year. As detailed in the table below, these savings totalling (£809,000) are included in the projected outturn position of (£278,000) underspend. A redirection of these resources would need to take into account the overall impact on the departmental variances.

There is one other potential risk to the forecast. 52 placements are still under negotiation with a requested increase in costs representing a full year cost of £127,000.

The department is expected to deliver savings of £4,664,000 in this financial year and at this stage of the year 76% 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.

<b>Council Interim Budget Savings 2014-15</b>	<b>Savings £000's</b>	<b>On Target</b>	<b>Notes</b>
<b>Adult Social Care</b>			
Improve outcomes and reduce dependency amongst residents through better joint services with the NHS.	(157)	Yes	Factored into the projections. If this is used for other purposes the ASC projection for year-end will move towards an overspend
Review of no recourse to public funds savings.	(100)	Yes	Factored into the projections. If this is used for other purposes the ASC projection for year-end will move towards an overspend
Additional Public Health external funding has been identified that offsets Support People costs by £552k	(552)	Yes	Factored into the projections if this is used for other purposes the ASC projection for year-end will move towards an overspend.
<b>Adult Social Care Total</b>	<b>(809)</b>		

#### **Proposed Carry Forward from 2014/15 for Adult Social Care Budget Pressures.**

As detailed in table 1, H&F ASC continues to project a favourable variance at this stage of the year of (£278,000). It is proposed that this underspend is carried forward into 2015/16 (see appendix 11)

Since July 2014, financial pressures have emerged and delivery of some MTFs savings proposals are anticipated to be delayed and demand is increasing. As a result the department is requesting the carry forward of the final year-end underspend if it is greater than £278,000 to partly fund the following areas:

<b>MAXIMUM PROPOSED CARRY FORWARD</b>	<b>AMOUNT</b>
(based on known funding pressures)	<b>£000</b>
<b>ADULT SOCIAL CARE</b>	
<b>Demand Pressures in Learning Disabilities (LD) Placement Service:</b> Increase in numbers of learning disabled in transitions placements & care packages.	580
<b>Demand Pressures in Assistive Equipment and Technology:</b> There is increased pressure on equipment budget as a whole as the Health & Social Care community work together to deliver on admission avoidance & delaying admission to Residential or Nursing Facilities	100
<b>MTFS Transformation Project Customer journey operations</b> <b>Alignment:</b> delays in transformation for 6 months of full year saving proposed of £500k.	250
<b>MTFS Procurement and Contract Efficiencies:</b> Packages & Direct Payment delays in tendering new outcome based home care service, therefore delays in achieving MTFS savings.	115
<b>Budget pressure in Careline Income:</b> Shortfall of £280k is not offset by reserves for 2015/16. There is a need to request a carry forward from the 2014/15 underspend to cover this income shortfall, until the future of the service has been reviewed. The service is being reviewed with Commissioning to look at recommissioning a telephony / monitoring service on a shared services basis.	280
<b>Total ASC</b>	<b>1,325</b>

As the total requested carry forward of £1,325,000 is greater than the projected underspend as at period 9, the department will review the pressures emerging and will request any greater underspend on outturn to be carried forward to mitigate these pressures.



## APPENDIX 2: CENTRALLY MANAGED BUDGETS

### BUDGET REVENUE MONITORING REPORT – PERIOD 9

#### 1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Corporate & Democratic Core	5,839	(5)	0
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)	7,932	(240)	(290)
Pensions & Redundancy	9,995	0	0
Other (Council Tax Support, Contribution to Balances, provisions)	0	(2,050)	(2,000)
<b>Total</b>	<b>27,568</b>	<b>(2,495)</b>	<b>(2,490)</b>
Interim Budget Savings Reported to Full Council 23 <sup>rd</sup> July 2014		2,480	2,480
<b>Variance post Interim Savings</b>		<b>(15)</b>	<b>(10)</b>

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

Departmental Division	Variance £000s	Explanation & Action Plans
Corporate & Democratic Core	(5)	An £80k reduction in Audit Fees is offset by an additional £75k 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	(240)	Due to the housing market Land Charges income is forecast to be £150k better than budget. The cost of maternity leave is forecast to be £90k under budget.
Other	(2,050)	Potential redirection of resources in line with Interim Council budget for contribution to balances and provisions and Council Tax Support.
<b>Total</b>	<b>(2,495)</b>	

**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
<b>Total</b>	<b>(500)</b>	<b>500</b>

**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**

The 2014/15 pay award is settled so it is requested that £611k is transferred from the pay award contingency to departmental employees budgets to cover the increased costs.

At year end there will be a reconciliation exercise to identify any creditor balances on the purchase order system (CIVICA) that should be removed due to either the orders not being fulfilled or the orders being paid non-order related to expedite payment. Based on information to date this is likely to increase the favourable forecast by around £500k.

After accounting for the Interim Budget savings identified below Centrally Managed budgets (excluding contingencies) are forecast to have a favourable variance of £15k.

Council Interim Budget Savings 2014-15	Savings £000's	Savings forecast at Period 9 £000's	Notes
<b>CMB</b>			
Budgeted contribution to balances	(900)	(900)	This saving is on target.
Inflation provision	(400)	(450)	The inflation contingency is currently expected to be £450k under budget.
Redundancy provision	(200)	(200)	Spend is forecast to be £200k under budget.
External Audit savings of £80,000 have been identified	(80)	(80)	External audit expenditure is forecast to be £80k under budget.

<b>Council Interim Budget Savings 2014-15</b>	<b>Savings £000's</b>	<b>Savings forecast at Period 9 £000's</b>	<b>Notes</b>
Debt restructuring opportunities that will enable budget savings of £200,000.	(200)	(200)	Proposals for the restructuring of debt to meet this saving are under review.
Council Tax Support	(500)	(500)	As unemployment falls reduced caseload is expected to deliver savings.
Land Charges	(200)	(150)	Land charge income is forecast to be £150k better than budget.
<b>CMB Total</b>	<b>(2,480)</b>	<b>(2,480)</b>	

## APPENDIX 3: CHILDREN'S SERVICES

### BUDGET REVENUE MONITORING REPORT – PERIOD 9

#### 1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Tri Borough Education Service	4,387	(215)	(187)
Family Services	32,492	2,342	1,577
Children's Commissioning	5,645	328	232
Finance & Resources	5,871	95	83
Dedicated School Grant & Schools Funding	4	(200)	(200)
<b>Total</b>	<b>48,399</b>	<b>2,350</b>	<b>1,505</b>
Interim Budget Savings Reported to Full Council 23 <sup>rd</sup> July 2014		439	439
<b>Variance post Interim Savings</b>		<b>2,789</b>	<b>1,944</b>

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

Departmental Division	Variance £000s	Explanation & Action Plans
Tri Borough Education Service	(215)	The Transport Contract is forecast to underspend for the year, whilst the division is forecasting a net underspend on salaries in relation to in year vacancies. The variance movement is mainly due to net Newly Qualified Teacher income now forecast to be received in 14/15. There remains the risk of additional transport costs being incurred due to new users and changes in the way some children are being transported.
Family Services	2,342	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 but its ability to do so is compromised through other pressures and the increasing number of children who are entitled to new forms of support as set out in Executive Director comments.
Children's Commissioning	328	Tri-borough transport and placement commissioning teams remain over budget. The adverse movement from the previous report is mainly due to Transport Commissioning team project costs.
Finance &	95	IT budget pressures from filestore and programme

Departmental Division	Variance £000s	Explanation & Action Plans
Resources		charges and reduced rental income.
Dedicated School Grant & Schools Funding	(200)	Appropriate expenditure will be identified to maximise the use of DSG effectively.
<b>Total</b>	<b>2,350</b>	

**Table 3: Key Risks**

Risk Description	Lower Limit £000s	Upper Limit £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
<b>Total</b>	<b>1,955</b>	<b>2,850</b>

The department has been experiencing revenue pressures throughout 14/15. These pressures relate to changes in practice caused by national legislation and regulatory changes introduced by the Government for which inadequate funding has been distributed to local authorities to meet the additional liability.

A budget virement is proposed to fund these demand-growth pressures, which are set out in the Executive Director comments. The amount proposed is £1,862m from the Contingency budget held centrally.

**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
<b>Childrens' Services</b>	<b>2,780</b>	<b>544</b>	<b>1,225</b>	<b>1,011</b>

## 5. Comments from the Executive Director

The Children's Services Department is projecting an overspend of £2,350m, a movement of £845k from the previous report. The projection has been increasing in prior months as the department's ability to contain the spending pressures that it faces is compromised. Transport contract savings have been able to offset some pressures in prior months, but as these 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 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 budgets.

<b>Council Interim Budget Savings 2014-15</b>	<b>Savings £000's</b>	<b>On Target</b>	<b>Notes</b>
<b>Children's Services</b>			
The Tri-borough Children's Services has been successful in achieving a 'payment by results' bonus of £200,000 from its Troubled Families	(200)	Yes	

<b>Council Interim Budget Savings 2014-15</b>	<b>Savings £000's</b>	<b>On Target</b>	<b>Notes</b>
programme in H&F			
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)	Yes	
Other external funding has also been identified that offsets costs of £39,000	(39)	Yes	
<b>Children's Services Total</b>	<b>(439)</b>		

## APPENDIX 3a: UNACCOMPANIED ASYLUM SEEKING CHILDREN

### BUDGET REVENUE MONITORING REPORT – PERIOD 9

#### 1. Variance by Departmental Division

<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 9</b>	<b>Variance Month 7</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Unaccompanied Asylum Seeking Children	1,013	223	198
<b>Total</b>	<b>1,013</b>	<b>223</b>	<b>198</b>

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

<b>Departmental Division</b>	<b>Variance £000s</b>	<b>Explanation &amp; Action Plans</b>
Unaccompanied Asylum Seeking Children	223	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
<b>Total</b>	<b>223</b>	

#### Table 3: Key Risks

<b>Risk Description</b>	<b>Lower Limit</b>	<b>Upper Limit</b>
	<b>£000s</b>	<b>£000s</b>
Cost of supporting asylum seeking children continues to increase	100	250
<b>Total</b>	<b>100</b>	<b>250</b>

#### 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.

A budget virement is requested to fund demand-growth pressures with respect to rising accommodation and support costs. The amount proposed is 216k from the Contingency budget held centrally.



## APPENDIX 4: ENVIRONMENT, LEISURE & RESIDENTS SERVICES

### BUDGET REVENUE MONITORING REPORT – PERIOD 9

#### 1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Cleaner, Greener & Cultural Services	21,299	(361)	(334)
Safer Neighbourhoods	9,056	324	386
Customer & Business Development	875	21	(38)
Director & Resources	275	115	115
<b>Total</b>	<b>31,505</b>	<b>99</b>	<b>129</b>

#### 2. Variance Analysis with Action Plans to Address Forecast Overspends

Division	Variance £000s	Explanation & Action Plans
CCGS – Waste disposal	(396)	The partner boroughs negotiated a better unit cost of recycle this year which has reduced costs significantly. This is partly offset by increasing waste tonnages overall. Like other London Boroughs, more expensive general waste tonnages are increasing (up an average 4% on last year) whilst cheaper recycling tonnages are decreasing (down an average 9% on last year). This is compounded by reduced income from the sale of recycle as market commodity prices are decreasing. The current forecast is based on year to date average increases but if future increases continue at the upper growth levels, current year costs will increase by £139k. A waste innovation group has been formed to research new interventions that could reduce waste disposal costs in the longer term through focussed efforts to increase recycling yield and positively influence waste disposal behaviours of residents and businesses.
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 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). Budget growth is proposed for 2015/16 to reset the budgets in line with current activity levels and permanently resolve this budget pressure.

Division	Variance £000s	Explanation & Action Plans
SND – Cemeteries	156	Demand for grave space and burials is declining year to date income is £100k less than to the same period last year. So far only one premium in-borough grave space has been sold compared to five sold last year. This trend is also being observed in RBKC and a project group has been formed to explore the reasons for this decline.
SND – Sports Bookings	(60)	There is a forecast overachievement of sports bookings income due to increased usage and more efficient booking and collection arrangements. This has been included in the MTFS efficiency plans for 2015/16.
Director & Res. – People portfolio savings	118	As reported previously, only £6k of the £124k people portfolio savings target is forecast to be achieved. This 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 was undertaken at quarter 2, the outcome of which was to review 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 expecting to be able to offset this pressure within the department and will be looking for any shortfall to be met corporately.
Other	17	Other smaller overspends
<b>Total</b>	<b>99</b>	

**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
Risk that underground ducting concession contract will not achieve non-guaranteed income target in full	0	51
<b>Total</b>	<b>(500)</b>	<b>451</b>

**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, hence a £51k risk).

## **5. Comments from the Executive Director**

Although the department is not currently projecting an underspend, should there be a favourable movement in waste disposal costs or other budgets before year end, it is requested that any net underspend be transferred to the Fulham Palace and Bishops Park reserve. This will help to close the £180k funding gap for the maintenance and management of the site to 2019/20 as set out in the Heritage Lottery Funding agreement, which funded the recent major redevelopment of the site.

The department is forecasting a £99k net overspend due mostly to limited scope for achieving the recharge income targets in the transport workshop budget and achieving the people portfolio savings target. There are some other pressures within the department which are being offset by one off waste disposal underspends. The major ongoing budget pressures have been addressed in the draft Council budget for 2015/16 and so will not continue into next year. The department will aim to mitigate smaller overspends before year end as far as possible, but is exploring the scope for a virement from corporate reserves in recognition that the transport workshop pressure is causing problems in the current financial year.

**APPENDIX 5: FINANCE AND CORPORATE SERVICES**

**BUDGET REVENUE MONITORING REPORT – PERIOD 9**

**1. Variance by Departmental Division**

<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 9</b>	<b>Variance Month 7</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
H&F Direct	19,075	0	100
Innovation & Change Management	(128)	(70)	(70)
Legal Democratic Services	(1,279)	(100)	(50)
Third Sector, Strategy & Communications	1,121	40	28
Finance & Audit	735	0	0
Procurement & IT Strategy	(2,399)	(35)	(157)
Executive Services	(670)	(50)	(50)
Human Resources	458	(205)	(205)
Other	0	0	0
<b>Total</b>	<b>16,913</b>	<b>(420)</b>	<b>(404)</b>
<b>Less - Interim Budget Savings Reported to Full Council 23<sup>rd</sup> July 2014</b>		206	206
<b>Variance post Interim Savings</b>	<b>16,913</b>	<b>(214)</b>	<b>(198)</b>

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

<b>Departmental Division</b>	<b>Variance £000s</b>	<b>Explanation &amp; Action Plans</b>
H&F Direct	0	The change in projection reflects the transfer back to Housing of the Rent Accounts team from 1 <sup>st</sup> January 2015, and the realignment of legacy IT cost pressures
Legal & Democratic Services	(100)	The increased underspend projection is due to continuing positive fluctuations in the legal trading account with legal trading income above expectation for the year.
Third Sector, Strategy & Communications	40	Loss of internal income from other areas of the council for printing
Procurement & IT Strategy	(35)	The reduced underspend reflects the transfer to reserve for the in year savings resulting from the decommissioning of the LAGAN application
Human Resources	(205)	Corporate HR continues to anticipate a £205k underspend due to keeping posts vacant ahead of the Managed Services project.

Departmental Division	Variance £000s	Explanation & Action Plans
Other	86	
<b>Total</b>	<b>(214)</b>	

The variances shown in Tables 1 and 2 are subject to approval of the following contingency and reserve drawdowns:

- In line with existing practice, a drawdown of £177k from the Efficiency Delivery Reserve to reflect cost pressures in Customer Services resulting from the non-delivery for 2014/15 of IT transformational savings in respect of the e-services project, MyAccount. This ongoing project is working to provide e-enabled transactions, making it easier for customers to transact with H&F both in terms of reporting, applying for, booking or paying for services.
- The Enhanced Revenue Collection project has continued to deliver improved Housing Benefit Overpayment debt collection performance, leading to increased Subsidy income for the Council. This work is monitored and delivered through an additional temporary post. A transfer of £43k from the Housing Benefit Reserve is requested to fund this post for 2014/15.
- The Council has a statutory responsibility to fund local elections, and earmarks funds each year for this purpose. £266k is requested to be drawn down from the Contribution to Local Elections Reserve for May 2014 local election costs.

### **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
<b>Finance and Corporate Services</b>			
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	
<b>Finance and Corporate Services Total</b>	<b>(206)</b>		

FCS remains on track to deliver its interim budget savings and an improved Legal & Democratic Services position has delivered a forecast underspend which is requested to be carried forward for Individual Electoral Registration resource pressures ahead of next year's general election.

FCS has also requested drawdowns from the Efficiency Delivery Reserve, Contribution to Local Elections Reserve and Housing Benefit Reserve in line with statutory responsibilities and existing practice. These are detailed in section 3 above.

it is proposed that £100k of the forecast underspend is carried forward to 2015/16 as detailed in appendix 11.

## APPENDIX 6: HOUSING & REGENERATION DEPARTMENT

### BUDGET REVENUE MONITORING REPORT – PERIOD 9

#### 1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Housing Options, Skills & Economic Development	7,958	(1,041)	(683)
Housing Strategy & Regeneration	4	0	0
Housing Services	40	0	0
Strategic Housing Stock Options Appraisal - General Fund	170	0	0
Finance & Resources	(103)	28	23
<b>Total</b>	<b>8,069</b>	<b>(1,013)</b>	<b>(660)</b>
Interim Budget Savings Reported to Full Council 23rd July 2014		34	34
<b>Variance post Interim Savings</b>		<b>(979)</b>	<b>(626)</b>

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

Departmental Division	Variance £000s	Explanation & Action Plans
Housing Options, Skills & Economic Development	(1,041)	<p>This relates mainly to a forecast reduction in the net costs of Bed and Breakfast (B&amp;B) accommodation of (£700k) due to a reduction in average client numbers from a budgeted figure of 275 to a forecast of 103. Additionally, the net costs of Private Sector Leasing (PSL) accommodation are expected to reduce by (£734k) due to a fall in the average number of units from a budgeted figure of 853 to a forecast of 704 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 96.0%).</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 £187k. 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</p>

Departmental Division	Variance £000s	Explanation & Action Plans
		remaining seven months of the year of £197k will be funded from internal departmental reserves. Other minor variances of (£17k) are also predicted.
Housing Strategy & Regeneration	0	
Housing Services	0	
Finance & Resources	28	
<b>Total</b>	<b>(1,013)</b>	

**Table 3: Key Risks**

Risk Description	Lower Limit £000s	Upper Limit £000s
<b>Total</b>		

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

Department	2014/2015 MTFS Target £000s	On Track (Green) £000s	In Progress (Amber) £000s	Delayed/ At Risk (Red) £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 (£979k), a favourable movement of (£353k) from the CRM 7 position of (£626k). The main reasons for this are set out in Table 2 above.

The main reason for the movement is a reduction in the net costs of Private Sector Leasing (PSL) accommodation of (£100k) following an improvement in the forecast collection rate of 2% to 96% and of (£105k) following an increase in client numbers from a forecast average of 668 at month 7 to 704 this month. Also, the movement relates to a reduction in the net costs of Bed and Breakfast (B&B) accommodation of (£143k) due to a reduction in the forecast average client numbers from 115 at month 7 to 103 this month. Other minor movements of (£5k) are forecast.

In order to mitigate against the overspend of £187k on the business incubator units at Sullivan and Townmead and the BBC units, management action is



being taken to improve the debtor management process, and consideration is being given to undertaking a programme of major repairs in order to maximise occupancy rates. The results of these initiatives will be reported upon during the early part of 2015/16.

The Adult Learning & Skills Service set aside £75k in 2013/14 to develop vocational skills training packages in construction and built environment employment. This funding was expected to lever in available Section 106 funding. However, this initiative has not been progressed as originally expected due to the current review relating to the Earls Court Opportunity Area. Approval is requested to change the use of this reserve to support local third sector community organisations in hosting courses on behalf of the Adult Learning & Skills Service. This will ensure the delivery of an important and accessible alternative to current activities provided at the Macbeth Centre.

Council Interim Budget Savings 2014/15

On 23<sup>rd</sup> 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.

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

It is proposed that £479k of the underspend is carried forward to 2015/16 as detailed in appendix 11.

**APPENDIX 7: LIBRARY SERVICES (Tri-Borough)**

**BUDGET REVENUE MONITORING REPORT – PERIOD 9**

**1. Variance by Departmental Division**

<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 9</b>	<b>Variance Month 7</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Tri-borough Libraries & Archives Service	3,239	(45)	(30)
<b>Total</b>	<b>3,239</b>		<b>(30)</b>
Interim Budget Savings Reported to Full Council on 23 <sup>rd</sup> July 2014		30	30
<b>Variance post Interim Savings</b>		<b>(15)</b>	<b>0</b>

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

<b>Departmental Division</b>	<b>Variance £000s</b>	<b>Explanation &amp; Action Plans</b>
<b>Total</b>		

**Table 3: Key Risks**

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

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

<b>Department</b>	<b>2014/2015 MTFS Target</b>	<b>On Track (Green)</b>	<b>In Progress (Amber)</b>	<b>Delayed/ At Risk (Red)</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
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. Due to a recently arisen overachievement of savings from the new Library Management System contract, a small underspend is projected of £15k. It is proposed to carry this forward to support service transformation work likely to begin in 2015/16 (see appendix 11).

Areas of budget risk include income from fees and charges due to the growth in increasingly obsolete formats (DVDs, CDs etc.). Room and space hire opportunities are being reviewed as a means to mitigate these pressures over the longer term.

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:

<b>Council Interim Budget Savings 2014-15</b>	<b>Savings £000's</b>	<b>On Target</b>	<b>Notes</b>
<b>Tri-Borough Libraries</b>			
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.
<b>Tri-Borough Libraries Total</b>	<b>(30)</b>		

## APPENDIX 8: PUBLIC HEALTH SERVICES

### BUDGET REVENUE MONITORING REPORT – PERIOD 9

#### 1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Sexual Health	6,978	(277)	(75)
Substance Misuse	5,464	(34)	(1)
Behaviour Change	2,110	(211)	(197)
Intelligence and Social Determinants	40	(23)	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	963	686
Substance Misuse – Grant, Salaries and Overheads	(5,470)	0	0
Public Health – Grant, Salaries and Overheads	(11,384)	(2,571)	(2,571)
<b>Total</b>	<b>346</b>	<b>(346)</b>	<b>(346)</b>

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

Departmental Division	Variance £000s	Explanation & Action Plans
Sexual Health	(277)	<p>Forecast adjusted to reflect;</p> <ul style="list-style-type: none"> <li>• Final CLCH contract values £(82K)</li> <li>• Revised forecast re condom distribution £(2K)</li> <li>• HIV prevention £9K</li> <li>• Sexual health service review £(10K)</li> <li>• Chlamydia Screening £(192K)</li> </ul>
Substance Misuse	(34)	<p>Forecast adjusted to reflect latest figures;</p> <ul style="list-style-type: none"> <li>• Over provision of 13/14 detox placements £(14K)</li> <li>• “Education, Training and Employment (ETE) Lead” budget correction £(15K)</li> <li>• Drug testing £(5K)</li> </ul>

Departmental Division	Variance £000s	Explanation & Action Plans
Behaviour Change	(211)	Change in forecast due to; <ul style="list-style-type: none"> <li>£86K over provision for 2013/14 Health Checks</li> <li>£43K estimated under-spend in 2014/15 on Health Checks</li> <li>£17K estimated under-spend in 2014/15 for Smoking Cessation</li> <li>£46K under-spend in 14/15 Health Trainers</li> <li>£19K under-spend in 14/15 Community Champions</li> </ul>
Intelligence and Social Determinants	(23)	<ul style="list-style-type: none"> <li>One-off contribution to Airtex, not in the original budget £0.5K</li> <li>Health Promotion project postponed £(24K)</li> </ul>
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	963	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.
<b>Total:</b>	<b>(346)</b>	Planned reduction of General Fund contribution from £346K to zero.

**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
<b>Total</b>	<b>0</b>	<b>244</b>

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

None to report.

**5. Comments from the Acting Director**

It is currently expected that the budgeted contribution from the general fund (£346K) will not be required to be drawn down, as there is sufficient Public Health Grant and under-spend to meet all existing and expected commitments.

Included within the Public Health budget are unallocated funds of £2.2M (after the planned reduction in General Fund contribution). 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 £963K (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 9

#### 1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Building & Property Management (BPM)	(1,367)	(237)	(258)
Transport & Highways	11,807	(71)	137
Planning	2,846	(366)	(238)
Environmental Health	3,331	1	1
Support Services	(584)	261	260
<b>Total</b>	<b>16,033</b>	<b>(412)</b>	<b>(98)</b>

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

Departmental Division	Variance £000s	Explanation & Action Plans
Advertising Hoardings	(135)	The favourable variance is due to the over achievement of advertising income against budget.
Valuation Services	89	The property disposal section is at risk of overspending by £130k due to property disposal costs exceeding the permitted levels that can be charged against estimated capital receipts. However, this is offset by a forecast underspend (£41k) in Valuation Services.
Facilities Management	30	Refunds due to 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. However, this is offset by underspends in the EC Harris contract and in carbon reduction.
Civic Accommodation	(138)	The favourable variance is mainly due to a combination of additional rental income, underspends in utilities and security costs.
Sections within Building & Property Management	(83)	Building Control is showing a favourable variance of (£21k) due to additional income from large building schemes. There are favourable variances in Rent and Other Properties of (£17k) and other sections within Building & Property Management of (£45k).
<b>Total - BPM</b>	<b>(237)</b>	
Transport and Highways	(71)	Although this section is favourable overall, there is a £250k shortfall from the non-achievement of a MTFs income target for advertising on pavements. This has been addressed in the MTFs proposals for 15/16. The unfavourable variance is offset by

		additional recharge income from the Network Management group, Survey Projects and underspends in staffing costs in the Transport and Highways Admin section.
Planning	(366)	The favourable position is due to higher than expected levels of income recovered from Planning Regeneration projects. Furthermore, there are also high levels of routine planning applications as the wider economy recovers and applicants seek to beat the CIL deadline.
Environmental Health	1	
Support Services	261	This reflects the MTFS People Portfolio savings target. This budget pressure has been addressed in the 15/16 TTS Budget estimates proposals.
<b>Total:</b>	<b>(412)</b>	<b>Favourable</b>

**Table 3: Key Risks**

Risk Description	Lower Limit £000s	Upper Limit £000s
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	252
<b>Total</b>	<b>0</b>	<b>252</b>

**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)	(295)	(280)

Currently there are three schemes on red status:

- Planned increases in Licensing fee income of £30k which is subject to consultation and yet to be confirmed.
- 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 £412k against a net budget of £16,033k. The key risks to the 2014/15 budget are set out in Table 3 above. We are proposing to carry forward £363k into 2015-16 (appendix 11). In the previous month, £233k of this was included in the current forecast outturn.



**APPENDIX 9a: CONTROLLED PARKING ACCOUNTS (CPA)**

**BUDGET REVENUE MONITORING REPORT – PERIOD 9**

**1. Variance by Activity Area**

<b>Activity Area</b>	<b>Revised Budget</b>	<b>Variance Month 9</b>	<b>Variance Month 7</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Pay & Display (P&D)	(12,613)	505	492
Permits	(4,690)	101	125
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(6,814)	(175)	(144)
Bus Lane PCN	(915)	21	40
Parking CCTV PCN	(616)	(645)	(606)
Moving Traffic PCN's	(5,814)	(226)	(232)
Parking Bay Suspensions	(1,530)	(2,131)	(2,083)
Towaways / Removals	(352)	40	41
Expenditure and Other Receipts	13,053	(62)	99
<b>Total</b>	<b>(20,291)</b>	<b>(2,572)</b>	<b>(2,268)</b>

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

<b>Activity Area</b>	<b>Variance £000s</b>	<b>Explanation &amp; Action Plans</b>
Pay & Display	505	A number of other councils are seeing Pay & Display receipts falling. Pay and Display receipts will be monitored closely for the rest of the year.
Permits	101	A reduction in the receipts over the first 8 months of 2014-15 has resulted in a forecast lower than budget.
CEO Issued PCN	(175)	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	21	Bus Lane PCNs are at a similar level as in 2013-14.
Parking CCTV PCN	(645)	CCTV parking PCNs are at a similar level as in 2013-14.
Moving Traffic PCN's	(226)	The forecast PCN issue number is lower than the previous year, but the recovery rate has improved. The forecast is therefore at a similar level.
Parking Bay Suspensions	(2,131)	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 suspensions.
Towaways / Removals	40	The unfavourable variance is due to a shortfall in receipts from fines of (£315k) compared to a budget of (£352k).

<b>Activity Area</b>	<b>Variance £000s</b>	<b>Explanation &amp; Action Plans</b>
Expenditure and Other Receipts	(62)	Although resolved in December 2014, 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. There are also overspends in postage and delivery costs of £46k and debt registration costs of £56k. This is offset by an underspend in parking enforcement staffing of £203k and budgets of £100k for a CCTV enforcement vehicle and £76k for IT that are not expected to be used. There is also a £111k underspend expected on the P&D machine maintenance contract.
<b>Total</b>	<b>(2,572)</b>	

**Table 3: Key Risks**

<b>Risk Description</b>	<b>Lower Limit £000s</b>	<b>Upper Limit £000s</b>
Changes in legislation around CCTV parking enforcement	0	250
<b>Total</b>	<b>0</b>	<b>250</b>

#### **4. Comments from the Executive Director**

The TTS Parking department is forecasting a favourable variance of £2,572k against a net credit budget of (£20,291k). Activity is broadly 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.

Carry forwards of £163k into 2015-16 are proposed as detailed in appendix 11.

## APPENDIX 10: HOUSING REVENUE ACCOUNT

### BUDGET REVENUE MONITORING REPORT – PERIOD 9

#### 1. Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 9	Variance Month 7
	£000s	£000s	£000s
Housing Income	(75,698)	44	81
Finance and Resources	14,552	(83)	(1,182)
Housing Services	9,370	(246)	(120)
Commissioning and Quality Assurance	4,060	(155)	(103)
Strategic Housing Stock Options Appraisal HRA	30	0	0
Property Services	2,077	(152)	(6)
Housing Repairs	13,359	248	204
Housing Options	506	(106)	(53)
HRA Central Costs	0	0	0
Adult Social Care	48	0	0
Regeneration	331	112	45
Safer Neighbourhoods	578	0	0
Housing Capital	27,757	(298)	0
<b>(Contribution to)/ Appropriation From HRA General Reserve</b>	<b>(3,030)</b>	<b>(636)</b>	<b>(1,134)</b>

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

Departmental Division	Variance £000s	Explanation & Action Plans
Finance and Resources	(83)	<p>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).</p> <p>Additionally, underspends are forecast on IT consultancy (£68k), data storage, remote access and bulk printing contract (£64k), past service pension costs (£52k), redundancy (£35k), council tax for void properties (£28k), recruitment (£25k), and other minor underspends (£20k). This is offset by an overspend of £309k in corporate charges arising from the transfer of the management of the rent income and accounts team back to Housing &amp; Regeneration and an overspend on salary</p>

<b>Departmental Division</b>	<b>Variance £000s</b>	<b>Explanation &amp; Action Plans</b>
		costs of £29k also principally as a result of the transfer. Further, it is proposed to establish an earmarked reserve of £871k to fund the costs of additional resourcing for the sheltered housing accommodation service for two years and a strategic review (a full explanation is set out in the Director's comments to this report).
Housing Services	(246)	Underspends are forecast on legal costs (£64k), incentive payments to enable tenant moves to appropriately sized homes (£62k), staffing costs (£96k), Hammerprint (£30k), housing office running costs (£24k), activities and events (£40k) and other operating costs (£24k) offset by an overspend of £94k on trade waste charges. Officers are currently reviewing the existing charging methodology administered by ELRS and the contractor SERCO in order to ensure that the HRA is charged only for trade waste disposal costs that relate to tenants' homes.
Commissioning and Quality Assurance	(155)	This mainly relates to an underspend of (£114k) on transfer and decant payments, (£69k) on legal costs and a further (£7k) of minor underspends, offset by lower capitalisation of salary costs of £35k.
Property Services	(152)	Underspends relating to staffing costs (£179k) and running costs (£58k) are offset by overspends on legal costs of £60k and other minor variances of £25k. The legal fees over spend all relates to Willmott Dixon legal costs pending the outcome of the review by the costs draftsman of what we can claim
Housing Repairs	248	Overspends are forecast on MITIE contract costs (Out Of Scope work £364k and Price per Property/Block £327k, as there are more properties in the contract than budgeted primarily as a result of the cessation of the disposal programme) and a lower than expected number of rechargeable repairs means that the income from rechargeable repairs is £105k less than budgeted. This is offset by an underspend on MITIE void costs (£149k) and on work undertaken by other contractors of (£399k).

<b>Departmental Division</b>	<b>Variance £000s</b>	<b>Explanation &amp; Action Plans</b>
Housing Options	(106)	This mainly relates to underspends on Temporary on Licence (TOLS) accommodation costs (£106k) arising mainly from lower than expected furniture costs, and on Hostel accommodation net costs (£72k) largely as a result of a reduction in the increase to the bad debt provision required due to an improvement in the collection rate (from a budgeted figure of 90% to a forecast of 94%). These underspends are offset by overspends of £58k on staffing, and of £14k on valuation fees.
Regeneration	112	An underspend on salaries of (£35k) due to vacancies is offset by a reduced capitalisation of salary costs of £147k arising from a change in the expected work programme as the in house Housing Development Programme is under review.
Housing Capital	(298)	This relates to additional interest receivable on HRA balances following a review of the average interest rate on short term investments and the forecast balances expected within the HRA general reserve, major repairs reserve and Decent Neighbourhoods Fund.
Other	44	There are no other individual divisional variances greater than £100k/(£100k).
<b>Total</b>	<b>(636)</b>	

**Table 3: Key Risks**

<b>Risk Description</b>	<b>Lower Limit</b>	<b>Upper Limit</b>
	<b>£000s</b>	<b>£000s</b>
<b>Housing Development Programme:</b> 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
<b>Total</b>	<b>250</b>	<b>1,389</b>

**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)	(636)	(11,160)

## **6. Comments from the Executive Director**

The Housing Revenue Account currently forecasts an under-spend of (£636k) for 2014/15, an adverse movement of £498k from the CRM 7 position. The movement relates primarily to the proposal to establish an earmarked reserve of £871k to fund the costs of additional resourcing for the sheltered housing accommodation service (a full explanation is set out below) and also to the following:

- Rents and Charges: an increase to the forecast income of (£37k) mainly within commercial property rents, due to the delayed sale of properties at Fulham Road and Broxholme Rd;
- Finance and Resources: this relates to a review of IT forecasts (£103k); further corporate charges of £309k are now expected as a result of the transfer of the rent income and accounts team, previously reported as a risk; the redundancy forecast underspend has reduced by £15k, salary overspend has increased by £22k; an underspend on recruitment costs (£25k) has been identified and miscellaneous under spends have reduced by £10k.
- Housing Services: a recalculation of salary costs of (£106k), a review of forecast expenditure on activities and events (£15k) and other minor changes (£5k);
- Commissioning and Quality Assurance: this movement is due to reduced legal costs (£59k) and transfer payments (£34k) offset by increased running costs of £41k at the Fulham housing office;

- Housing Repairs: an increase in MITIE contract costs of £46k and non-MITIE contract costs of £50k is offset by an improvement in the forecast for income from insurance claims (£52k);
- Property Services: a reduction in staffing costs of (£111k) and running costs of (£35k);
- Housing Options: a reduction in expected furniture costs (£18k), a reduction in the increase to the bad debt provision required due to an improvement in the collection rate (£18k), and other minor changes of (£17k).
- Regeneration: an increase in the forecast overspend of £67k due to the lower capitalisation of team costs arising from a change in the team's work programme
- Housing Capital: additional interest receivable on HRA balances (£298k) following a review of the average interest rate on short term investments and the forecast balances expected within the HRA general reserve, major repairs reserve and Decent Neighbourhoods Fund.

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.

Cabinet are requested to approve the setting aside of £771k of the underspend within an earmarked reserve for the purposes of funding six additional sheltered housing staff for a two year period pending a borough-wide review of the sheltered accommodation service. This initiative will deliver benefits for scheme residents in the form of increased satisfaction with the level of service provided, in particular through improvements in engagement with and support given to residents. The £771k will fund the cost of six officers (£507k) plus the additional cost the new posts will attract in the form of corporate overheads (£264k).

Additionally it is proposed to undertake a strategic review across Health, ASC and HRD to shape older persons future housing provision, harvest efficiencies and improve services (£100k), also to be funded from the earmarked reserve.

## APPENDIX 11 Detailed Budget Carry Forward Proposals

CARRY FORWARD PROPOSALS AS AT CRM9	AMOUNT
	£000
<b>ADULT SOCIAL CARE</b>	
<b>Demand Pressures in Learning Disabilities (LD) Placement Service and in Assistive Equipment and Technology:</b> Increase in numbers of learning disabled in transitions placements & care packages. There is increased pressure on equipment budget as a whole as the Health & Social Care community work together to deliver on admission avoidance & delaying admission to Residential or Nursing Facilities.	278
<b>TOTAL ASC</b>	<b>278</b>
<b>FINANCE AND CORPORATE SERVICES</b>	
<b>Legal &amp; Democratic Services</b> - Carry forward to fund media and resources to deal with issues arising from Individual Electoral Registration (IER) and the need to invest in a new election system.	100
<b>TOTAL FCS</b>	<b>100</b>
<b>HOUSING &amp; REGENERATION</b>	
<p><b>HB Assist Plus</b></p> <p>The HB Assist Plus Team has operated successfully since 2011, initially to mitigate against the impact of the introduction of Local Housing Allowances (LHA) and since then to mitigate against the impact of the Overall Benefit Cap and the Bedroom Tax / restrictions on Housing Benefits to under-occupiers. Each of these measures has had the effect of restricting the income available to households on low or modest incomes and hence on their ability to pay their rent and sustain their tenancy. This in turn has increased the risk of homelessness and the financial threat to the Council arising from this.</p> <p>The work of the Team has been to negotiate with landlords, source alternative accommodation, make recommendations for the use of Discretionary Housing Payments (DHP), administer panels with Adults and Childrens Services to ensure the protection of vulnerable people and make referrals to employment and training support services. This has led to the containment of the impact of welfare reform on the households concerned and contributed to the underspend on temporary accommodation projected in 2014/15.</p> <p>The purpose of the proposed carry-forward is to;</p> <ol style="list-style-type: none"> <li>1) Continue the work of the existing team of 1 manager and 4 staff (£250k);</li> <li>2) Provide for the expansion of the work of the team to cover more proactive intervention in cases where homelessness is threatened and in particular where resolution of benefits issues will forestall eviction. This is in direct support of the work of the Cabinet Member for Social Inclusion (£100k);</li> <li>3) Allow for the work of the team to include mitigation for households impacted by the rollout of Universal Credit.</li> </ol>	350



<b>CARRY FORWARD PROPOSALS AS AT CRM9</b>	<b>AMOUNT</b>
	<b>£000</b>
<p><b>Incentive payments to private sector landlords</b></p> <p>Since 2012, the Council has used incentive payments to private landlords to facilitate the procurement of temporary accommodation for homeless households. The accommodation concerned is of a higher standard than the alternative, Bed &amp; Breakfast, more suitable for the households concerned and much more cost effective for the Council. The payments usually relate to deposits and/or rent in advance and are sometimes made available as guarantees rather than cash payments.</p> <p>The availability of incentives has been the single most important factor in the recent success in restricting the use of B&amp;B and in achieving the projected underspend on temporary accommodation in 2014/15. Conversely, not having them available would create a clear risk of a sharp rise in the use of B&amp;B in 2015/16.</p> <p>A total of £426k is already available from departmental and corporate reserves for this purpose in 2015/16. The proposed carry-forward of £129k is proposed to provide for the additional anticipated level of demand for incentive payments in 2015/16.</p>	129
<b>TOTAL HRD</b>	<b>479</b>
<b>LIBRARIES</b>	
The Library service is undergoing an alternative delivery models review for which detailed business case development and possible procurement implications is likely in the course of 2015/16.	15
<b>TOTAL LIBRARIES</b>	<b>15</b>
<b>TECHNICAL &amp; TRANSPORT SERVICES</b>	
HS2- Petitioning Cost. Delay of HS2 project in Central London (previously included in month 7 forecast)	75
The current year's income in the Planning Division is higher than expected mainly due to the increased demand as applicants seek to beat the CIL deadline. Income is being received in 14/15 but Planning will be doing the work in 15/16 and thus needs a budget carry forward	130
Lead Local Flood Authority responsibility - remaining budget to be carried forward to fund future projects (previously included in month 7 forecast)	158
<b>TOTAL TTS</b>	<b>363</b>
<b>CONTROLLED PARKING ACCOUNT</b>	
Implementation of new Parking IT systems (as approved by Cabinet) (included in the previous month's variance)	48
Implementation of new parking controls (as being developed with PAC)	115
<b>Total CPA</b>	<b>163</b>
<b>TOTAL PROPOSED CARRY FORWARD OF CRM9 UNDERSPEND</b>	<b>1,398</b>

**APPENDIX 12 - VIREMENT REQUEST FORM**


**BUDGET REVENUE MONITORING REPORT – PERIOD 9**

<b>Details of Virement</b>	<b>Amount (£000)</b>	<b>Department</b>
<b>GENERAL FUND:</b>		
Distribution of pay award inflation to departmental salaries codes.	(611)/611	CMB/ All Depts
Budget adjustment requested to fund demand-growth pressures with respect to rising accommodation and support costs	216/(216)	UASC/CMB
Budget adjustment requested to fund demand-growth pressures due to new duties being imposed on Children's Services by Government without corresponding funding	1,862/(1,862)	CHS/CMB
A drawdown of £177k from the Efficiency Delivery Reserve is requested to reflect cost pressures in Customer Services resulting from the non-delivery for 2014/15 of IT transformational savings in respect of the e-services project, MyAccount. This ongoing project is working to provide e-enabled transactions, making it easier for customers to transact with H&F both in terms of reporting, applying for, booking or paying for services.	177/(177)	FCS/CMB
The Enhanced Revenue Collection project has continued to deliver improved Housing Benefit Overpayment debt collection performance, leading to increased Subsidy income for the Council. This work is monitored and delivered through an additional temporary post. A transfer of £43k from the Housing Benefit Reserve is requested to fund this post for 2014/15.	43/(43)	FCS/CMB
The Council has a statutory responsibility to fund local elections, and earmarks funds each year for this purpose. £266k is requested to be drawn down from the Contribution to Local Elections Reserve for May 2014 local election costs.	266/(266)	FCS/CMB
<b>Total General Fund Virements (Debits)</b>	<b>3,175</b>	

Details of Virement	Amount (£000)	Department
<b>HRA:</b>		
Cabinet are requested to approve the setting aside of £771k of the underspend within an earmarked reserve for the purposes of funding six additional sheltered housing staff for a two and a quarter year period pending a borough-wide review of the sheltered accommodation service	771/(771)	HRA
It is proposed to undertake a strategic review across Health, ASC and HRD to shape older persons future housing provision, harvest efficiencies and improve services (£100k), also to be funded from the earmarked reserve	100/(100)	HRA
<b>Total HRA Virements (Debits)</b>	<b>871</b>	

Departmental Name Abbreviations	
CHS	Childrens Services
CMB	Centrally Managed Budgets
FCS	Finance and Corporate Services
HRA	Housing Revenue Account

# Agenda Item 5

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>2 MARCH 2015</b>
<b>2014/15 SECTION 106 EXPENDITURE</b>	
<b>Report of the Cabinet Member for Finance – Councillor Max Schmid; and the Cabinet Member for Economic Development and Regeneration – Councillor Andrew Jones</b>	
<b>Open Report</b>	
<b>Classification - For Decision</b> <b>Key Decision: Yes</b>	
<b>Wards Affected: All</b>	
<b>Accountable Executive Director: Nigel Pallace, Acting Chief Executive</b>	
<b>Report Author: Peter Kemp, Planning Change Manager</b>	<b>Contact Details:</b> Tel: 0208 753 6970 E-mail: <a href="mailto:peter.kemp@lbhf.gov.uk">peter.kemp@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval for the expenditure for 2014/15 from Section 106 funds. The report also covers section 106 money for policing.
- 1.2. In total authority is sought for £2.16M expenditure.

## 2. RECOMMENDATION

- 2.1. That officers be authorised to spend Section 106 monies as set out in section 5 and Appendix 1 to this report.

### **3. INTRODUCTION AND BACKGROUND**

- 3.1 The Council enters into agreements with developers and land owners under Section 106 of the Town and Country Planning Act 1990 to enable mitigation of impacts of development and to enable it to delivery of necessary social and physical infrastructure.
- 3.2 For a Council to enter into an agreement under S106 of the Town and Country Planning Act, the obligations need to comply with the tests set out in Regulation 122 of the Community Infrastructure Regulations 2010. All obligations must be:
- i. Necessary to make the development acceptable in planning terms;
  - ii. Relevant to the development being permitted; and
  - iii. Reasonably in all other respects.
- 3.3 Funds received pursuant to S106 agreements must be used for the purposes specified in those agreements or, where there is flexibility within the terms of the agreement, those purposes must comply with the tests set out above. The Council will have increased flexibility in future years in how it spends money it collects as Community Infrastructure Levy (CIL).
- 3.4 This report seeks authority for the 2014/15 spend of monies received for the purposes set out in this report, together with an explanation of the considerations that have been taken into account in reaching this recommendation.

### **4. BACKGROUND TO SPENDING PLAN**

- 4.1 The spending plan for 2014/15 identifies those projects for which agreement has been given through budget planning, and authority is sought to draw down the monies to meet those commitments.

### **5. SPENDING PLAN PROJECTS**

The numbers in brackets refer to the reference of the agreement.

- 5.1 Air Quality Monitoring Work – a combination of £18.5K from Westfield, £9.25K from Sovereign Court (173) £9.25K from 51 Townmead Road agreements (117) which include provision for environmental monitoring, will be used to provide monitoring stations and the costs of monitoring the impacts of development taking place across the borough to protect the environment for residents.
- 5.2 Phased Replacement of Street Lighting, South Fulham – £20K would be met from the Social and Physical Infrastructure Contribution from 51 Townmead Road (117). This scheme is the start of a larger project

replacing lamps with low energy bulbs to mitigate any environmental impacts resulting developments in South Fulham.

- 5.3 Housing and Regeneration Division – up to £200,000 can be funded from the contribution in the Watson House agreement (8), which secures monies that enable housing regeneration schemes to proceed in the Borough, and will be used for . project costs incurred in reviewing and progressing schemes for Affordable Housing in 2014/15 .
- 5.4 Parks Maintenance – £55K from the Social and Physical Infrastructure contribution in Chelsea Creek, Lots Road agreement (128) will provide funding to support the increased level of necessary maintenance of the parks in South Fulham, resulting from increased usage by the new resident population in
- 5.5 Adult Services –£65K from the Social and Physical Infrastructure contribution of the Chelsea Creek, Lots Road (128) agreement will directly relate to the additional costs incurred providing services for the increased population arising from the new development in South Fulham
- 5.6 Fulham Town Centre Manager – A contribution of £5K from the Social and Physical Infrastructure contribution in the Chelsea Creek, Lots Road agreement (128), equivalent to 13% of the cost of providing the service in the Town Centre, being the area of the Town Centre covered by the agreements in South Fulham.
- 5.7 CPZ reviews in South Fulham – £20K from the Social and Physical Infrastructure contribution of the Chelsea Creek, Lots Road (128) agreement to add to contributions already made, for annual review and monitoring in South Fulham that has resulted from the additional growth of population.
- 5.8 Cleaner Greener, Refuse Collection and Environmental Witness work – South Fulham – £205,000 from the Social and Physical Infrastructure contribution of the Chelsea Creek, Lots Road (128) Imperial Wharf (13) and 51 Townmead Road (117) agreements for the costs of setting up and implementing the strategies and services necessary to serve the new building works and population in South Fulham.
- 5.9 Schools Maintenance and Educational Strategy Officer –£75,000 from the Social and Physical Infrastructure Contributions from Chelsea Creek, Lots Road (128), Imperial Wharf (13) and 51 Townmead Road (117) agreements which include specific provisions for additional maintenance required for the new population resulting from development, to be accommodated within existing infrastructure.
- 5.10 The Cost to TTS of monitoring and managing S106 and CIL contributions. The total cost of £153K would be met from the interest accrued on Section 106 funds held, monitoring contributions and the CIL administration receipt.

- 5.11 Shepherds Bush SUDS Scheme - £700K from the White City Contributions in Woodlands (91) and Westfield agreements for a sustainable drainage project and enhanced access to Goldhawk Road. This scheme is part of the implementation of the White City Opportunity Area Framework.
- 5.12 Policing – Combined contributions of 40K from 51 Townmead (117), 150K Sovereign Court (173), 150K Woodlands (91), 33K North End Road (17), 33K Stuarts Garages (135), 33K 313 North End Road (136) £40K Westfield agreements towards enhanced policing for 2014/15, supporting the Council’s strategy to reduce crime resulting from the increased population in the Borough.
- 5.13 Parenting Network Contribution - £20K from the Woodlands (91) contribution to deliver the Neighbourhood Mums and Dads project in White City supporting the Council’s strategy to increase social cohesion in the Borough.
- 5.13 Urinals, Shepherds Bush Green – £15K from the Westfield contribution for the final element of the Shepherds Bush Green enhancement project , together with the cost of their annual maintenance.

## **6. EQUALITY IMPLICATIONS**

- 6.1. The report seeks authority for funding of projects that are contained in other service area plans, which are each subject to their own Equality Impact Assessments.

## **7. LEGAL IMPLICATIONS**

- 7.1. The allocation of the funds set out above must comply with the terms of the relevant planning obligations.
- 7.2. Implications verified/completed by: Alex Russell, Senior Solicitor X2771.

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

- 8.1. When the 2014/15 budget was set by the Council it was anticipated that s106 sources totalling £1,125k would be identified to meet revenue expenditure in 2014/15, in place of general fund. The drawdown of s106 funding for 2014/15 requested in this paper enables that 2014/15 MTFS commitment to be met.
- 8.2. Every year the Planning Division incurs costs in managing S106 agreements; for 2014/15 this will be £153.9k and these are covered by the proposals in this paper. The Council has completed a £700k sustainable

drainage project in Shepherd's Bush, and the formal drawdown from s106 for this is now requested.

- 8.3. Implications verified/completed by: Mark Jones, Director for Finance TTS, x6700.

## **9. COMMENTS OF THE DIRECTOR FOR PLANNING**

- 9.1. The contributions outlined in this report are all part of the Council's annual budget for 2014/15 and accounted for.
- 9.2. All of the projects outlined meet the statutory tests set out in regulation 122 of the community infrastructure regulations, and would be used within the contractual and geographical constraints stated in the relevant agreements. Therefore the recommendations are considered acceptable
- 9.3. Implications verified/completed by: Juliemma McLoughlin, Director for Planning x3000

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

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

### **LIST OF APPENDICES:**

Appendix 1 – Section 106 Spending Plan




Project Title	Project Summary	Amount	Avail	IH	Notes	Funding Sources
<b>Committed Funding</b>				Y		
Air Quality Monitoring Work	Monitoring work across the borough to monitor and report the impact of development	£37,000	Y	Y	Enables 14/15 MTFS commitment to be met	18.5 Westfield 9.25 Sovereign Court 9.25 South Fulham Agreements
Lightbulb Replacement	Phased replacement of Lightbulbs across the borough	£20,000	Y	Y	Enables 14/15 MTFS commitment to be met	South Fulham Agreements
Parks Maintenance	Maintenance Required as a result of development taking place	£55,000	Y	Y		South Fulham Agreements
Adult Services	Social work required as a result of the increase in population	£65,000	Y	Y	Enables 14/15 MTFS commitment to be met	South Fulham Agreements
Town Centre Manager	Fulham Town Centre	£5,000	Y	Y	Enables 14/15 MTFS commitment to be met	South Fulham Agreements
Parking Services	Cost of CPZ review work not covered in S106 agreements specifically	£20,000	Y	Y	Enables 14/15 MTFS commitment to be met	South Fulham Agreements
Refuse Collection	Works required as a result of increased population	£50,000	Y	Y	Enables 14/15 MTFS commitment to be met	South Fulham Agreements
Cleaner Greener	Additional costs of pressure of development on South Fulham	£110,000	Y	Y	Enables 14/15 MTFS commitment to be met	South Fulham Agreements
Highways Maintenance	In South Fulham resulting from development	£65,000	Y	Y	Enables 14/15 MTFS commitment to be met	South Fulham Agreements
Schools Maintenance	In South Fulham resulting from development	£30,000	Y	Y	Enables 14/15 MTFS commitment to be met	South Fulham Agreements
Obligation Monitoring		£53,827	Y	Y	To meet planning costs incurred	Interest, Monitoring Contributions and CIL administration Fee
Planning Relations Projects		£40,073	Y	Y	To meet planning costs incurred	Wesfield
IT and Business Information		£20,000	Y	Y	To meet planning costs incurred	CIL Administration Fee
Environmental Professional Witness Officer		£45,000	Y	Y	Enables 14/15 MTFS commitment to be met	Skim Social and Physical Infrastructure
Parks Development Officer		£40,000	Y	Y	Enables 14/15 MTFS commitment to be met	South Fulham Agreements
Land Contamination Officer		£40,000	Y	Y	Enables 14/15 MTFS commitment to be met	South Fulham Agreements
Housing Regeneration	Housing Development Review	£200,000	Y	Y		Watson House
Education Strategy Officer		£48,000	Y	Y	Enables 14/15 MTFS commitment to be met	South Fulham Agreements
Parenting Network Contribution	Support the parenting network projects in White City	£20,000	Y	Y		20K Woodlands
Shepherds Bush SUDs	Implementation of a Sustainable Drainage Scheme in Shepherds Bush, including a redesign of the highway and pedestrian areas to enable better access to Goldhawk Road	£700,000	Y	Y	Highways have carried out the work	Start of the WCOAPF - Allocated Fund
Policing	Enhanced Policing	£480,000	Y	Y	166K already allocated. Total s106 funding of £646k enables 14/15 MTFS commitment to be met.	44K 51 Townmead, 100K Kings Mall, 100K woodlands, 20K North End Road, 20K Stuarts Garages, 30K 313 North End Road
Shepherds Bush Urinals		£15,000	Y	Y	Enables 14/15 MTFS commitment to be met	Wesfield
<b>Total</b>		<b>£2,158,900</b>				

Air Quality Monitoring Work	Monitoring work across the borough to monitor and report the impact of development	£37,000			Y
Lightbulb Replacement	Phased replacement of Lightbulbs across the borough	£20,000			Y
Adult Services	Social work required as a result of the increase in population	£65,000			Y
Town Centre Manager	Fulham Town Centre	£5,000			Y
Parking Services	Cost of CPZ review work not covered in S106 agreements specifically	£20,000			Y
Refuse Collection	Works required as a result of increased population	£50,000			Y

Cleaner Greener	Additional costs of pressure of development on South Fulham	£110,000			Y
Highways Maintenance	In South Fulham resulting from development	£65,000			Y
Schools Maintenance	In South Fulham resulting from development	£30,000			Y
IT and Business Information		£20,000		CIL Administration Fee	Y
Environmental Professional Witness Officer		£45,000			Y
Parks Development		£40,000			Y
Land Contamination Officer		£40,000		South Fulham Agreements	Y
Education Strategy Officer		£48,000		South Fulham Agreements	Y

# Agenda Item 6

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>2 MARCH 2015</b></p>
<p><b>KING STREET REGENERATION PROJECT AND 84-90B HIGH STREET FULHAM</b></p>	
<p><b>Report of the Leader of the Council – Councillor Stephen Cowan; the Cabinet Member for Economic Development and Regeneration – Councillor Andrew Jones; and the Cabinet Member for Finance – Councillor Max Schmid</b></p>	
<p><b>Open Report</b></p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt information on the value of the offers and the implications of the proposals</p>	
<p><b>Classification - For Decision</b></p> <p><b>Key Decision: YES</b></p>	
<p><b>Wards Affected: Hammersmith Broadway, Ravenscourt Park and Palace Riverside</b></p>	
<p><b>Accountable Executive Director: Nigel Pallace, Interim Chief Executive</b></p>	
<p><b>Report Author: Maureen McDonald-Khan, Director of Building and Property Management</b></p>	<p><b>Contact Details:</b> <b>Tel: 020 8753 4701</b> <b>E-mail:</b> <b>Maureen.McDonald-Khan@lbhf.gov.uk</b></p>

## 1. EXECUTIVE SUMMARY

- 1.1. **King Street Regeneration Project** - Planning permission was granted last year for this housing-led mixed use scheme, but the scheme does not contain any affordable housing. Following recent negotiations, the Council's contracted developer partner, King Street Developments (Hammersmith) Ltd, has offered to pay the Council a commuted sum in lieu of changing any of the market units in the approved scheme to be affordable. Under the terms of its Development Agreement and Agreement for Lease with the Council, the development partner can proceed to detailed design, procurement and construction without the need for any further approvals from the Council. The commuted sum

represents the quickest way of providing new affordable units for occupation, by funding off-site development of affordable housing.

- 1.2. **84 - 90B Fulham High Street** - The Council has a restrictive covenant on this site dating from 2002 requiring the provision of affordable units in any development. Spen Hill Developments Ltd, a development arm of Tesco Stores Ltd, own the site and has a recent planning consent that requires the provision of fewer affordable units but the restrictive covenant makes this consent neither viable nor implementable. The housing grants that supported the quantum of units in the restrictive covenant are no longer available and recent negotiations have resulted in an offer from the developer of an additional affordable unit together with a balancing payment to the Council for release of the restrictive covenant. The configuration of the residential blocks in the approved scheme meant that negotiating a capital payment for off-site affordable housing provision was preferable to further increasing the number of affordable units within the development.

## **2. RECOMMENDATIONS**

- 2.1. That approval be given to accepting the offer from King Street Developments (Hammersmith) Ltd to pay a commuted sum (as set out in the exempt report) under the King Street Regeneration Project to the Council for off-site affordable housing;
- 2.2. That approval be given to accepting the offer from Tesco Stores Ltd to pay a sum (as set out in the exempt report) to the Council and provide a total of six shared ownership residential units as consideration for releasing the restrictive covenant on the site at 84 - 90B High Street in Fulham; and
- 2.3. That the transactions in recommendations 2.1 and 2.2 be completed simultaneously.

## **3. INTRODUCTION AND BACKGROUND**

### **King Street Regeneration Project**

- 3.1. Under the previous Administration, Cabinet approved the appointment of King Street Developments (KSD), a joint venture company formed by Helical Bar plc and Grainger plc, as the Council's development partner for the King Street Regeneration Project on 4 February 2008 and this decision was formalised by a Development Agreement and Agreement for Lease document (DA) dated 19 March 2008. The Agreement was last amended on 14 June 2013.
- 3.2. The structure of the transaction determines that the Council makes three sites (Nigel Playfair Avenue car park & former Registrar's Office,

Town Hall Extension Building and 181/187 King Street) available to form the core of the development site and at completion the Council becomes the freeholder of the entire development site, including two third party sites (Friends Meeting House and King Street cinema) acquired by and at the cost of KSD. A 250 year lease on the commercial elements of the scheme is awarded to KSD at completion. These commercial elements of the scheme comprise 196 no. market residential units, a small food store, restaurant / cafes, a three screen cinema and basement parking.

- 3.3. The Council does not contribute financially to the project but receives a new purpose built office building, car parking (both basement & surface) a refurbished north façade to the Town Hall, a new town square, a £4.25 million contribution towards remodelling & refurbishing the Town Hall and a £1 million contribution towards regenerating the King Street area.
- 3.4 The previous scheme, approved in November 2011 but subsequently withdrawn, proposed a comprehensive redevelopment of a wider site, including the demolition of the existing Town Hall Extension, demolition and redevelopment of the Cromwell Avenue flats (owned by the Thomas Pocklington Trust), a bridge over the A4 and works to Furnivall Gardens.
- 3.5 The scheme proposed to provide a new civic square, 8,150 M2 of new civic offices, 290 residential dwellings, 255 basement parking spaces (126 public, 99 resident & 30 Council), a neighbourhood food store, five retail units within Use Class A1, A3 and A4 and a new pedestrian bridge link to Furnivall Gardens. Overall building heights were 6, 9, 10 and 15 storeys.
- 3.6 The Council's Planning Applications Committee resolved to grant planning permission for these earlier proposals in November 2011. However, the decision was subsequently made to withdraw the applications when it became apparent that the Mayor of London was about to direct the Council to refuse planning permission because of widespread concern over building heights and the harmful effect on riverside views.
- 3.7 The Council's Planning Applications Committee approved the current improved scheme in November 2013 and Mayoral approval was subsequently obtained in January 2014.
- 3.8 Following the recent change in Administration the scheme has been reviewed in order to determine how it might better meet manifesto commitments. A review of the Council's accommodation strategy concluded that, following release of leased premises such as Cambridge Grove and 77 Glenthorne Road and the substantial financial savings generated, the Council will still require replacement office accommodation for the town hall extension and that the current

scheme offers the best value solution currently available to the Council. Should the Council's office floorspace requirement fall at a faster rate than has been assumed, then there will be opportunities to sell or let all or part of the new office space. Negotiations with the council's development partner have therefore focused on achieving an improvement in the affordable housing offer.

### **84 - 90B High Street, Fulham**

- 3.9 The Council is the beneficiary of a restrictive covenant on the freehold of 84 - 90B Fulham High Street that requires the provision of a minimum of 28 no. affordable residential units within any development. The covenant was created in 2002 but the housing grants that then supported this quantum of affordable residential units are no longer available.
- 3.10 Spen Hill Developments Ltd, a development subsidiary of Tesco Stores Ltd, owns the site and recently secured a planning consent with a Section 106 requirement to provide 5 no. shared ownership units (2 no. x 1 bed & 3 no. x 2 bed). The Council's restrictive covenant determines that Spen Hill's current planning application is neither viable nor implementable.
- 3.11 Under the previous Administration negotiations took place with a view to releasing the covenant in return for a capital receipt. Terms were agreed but the transaction was not completed before the election last year. Since the change in Administration, the negotiations have continued with a view to improving the affordable housing offer in line with manifesto commitments.

## **4 PROPOSAL AND ISSUES**

### **King Street Regeneration Project**

- 4.1 The residential units in the approved scheme comprise entirely of market units. KSD are currently projecting a profit on cost for the scheme that is above the viability threshold prescribed in the Development Agreement. Under the terms of the Agreement the Council would be entitled to receive part of the increased profit arising from this as overage.
- 4.2 At the request of the Council, KSD have explored a small number of options for providing some affordable residential units, facilitated by the utilisation of the forecast increase in profit over and above the threshold that are summarised in Section 5 of this report.
- 4.3 The proposal involves KSD making a commuted payment towards the provision of off site affordable housing, the payment to be made at the

time when the Development Agreement becomes unconditional, i.e. anticipated to be at the end of 2015 or early 2016.

- 4.4 This proposal would not change the terms of the overage provision as currently incorporated within the Development Agreement that provides for the Council and KSD to share the profit on cost above the threshold, but any future overage will be calculated on profit made after payment of the additional affordable housing contribution.
- 4.5 The present content of the King Street Regeneration Project addresses several key elements of the manifesto commitments:

***Cutting council tax and waste, increasing efficiency , not wasting money on the Town Hall, not spending money on town hall offices which are not needed, etc:***

The scheme does not require any expenditure of money by the Council, the only input being a part of the site, and the Council retains the freehold of the entire development upon completion. KSD is required to pay the Council £5.75 million under a Section 106 Agreement, comprising:

- £4.25 million for refurbishing the Town Hall building. The scheme will allow the council to afford the remodeling and refurbishment of the Town Hall, accommodating far more of its reducing staff numbers in an open plan layout. This in turn has allowed the Council to terminate the leases on Council offices at Cambridge Grove (August 2014) and Glenthorne Road (March 2015) saving the general fund. Over £1.3m per year. This saving directly contributes to the budget strategy, thereby enabling Council Tax to be reduced;
- £1 million for regenerating the west end of King Street; and
- £0.5 million for highway works.

Recent negotiations by the new Administration have led to KSD agreeing to a further payment to the Council for off-site affordable housing, as there is no affordable housing within the development itself. This will be a significant contribution towards the Council's own affordable housing programme and, as the payment will be made early in the construction programme, will allow the earliest possible delivery of affordable housing.

There is a substantial backlog of maintenance on the Town Hall Extension building of circa £18.5 million, involving the cost of decanting staff to temporary rented accommodation elsewhere for approximately 2 years. This cost will be avoided as responsibility for the building will be transferred to KSD.



At present, the assumed numbers of Council staff means that the projected need is for smaller sized replacement offices to be built on the site of the cinema, at no cost to the Council. However, if the Council is able to secure an alternative even more cost-effective way of providing the necessary floorspace, the new offices could be disposed of or leased commercially, either a floor at a time or the whole building, for income further helping the Council to manage its finances.

The estimated net value of the assets deployed by the Council and the estimated value of the benefits received is heavily in the Council's favour.

Should the new office building not be needed by the Council, it can either be sold for a capital receipt or leased out either a floor at a time or the whole building.

The Council avoids expenditure in the order of £18.5 million by relinquishing the Town Hall Extension building.

***Supporting homes for residents, not overseas investors, providing more new affordable homes for residents to buy or rent, tackling housing supply, encouraging institutional investment and innovative new financing in new developments:***

The approved scheme does not include any affordable housing. The Council is contractually bound to make its land available and to allow the scheme to proceed under the Development Agreement. However, the new Administration has been able to renegotiate the terms of the Development Agreement by reducing the projected developer's return to the minimum threshold, enabling the release of a further payment to the Council for investment in alternative affordable housing. This sum will deliver more affordable housing and much sooner than it would if spent converting a proportion of the dwellings within the current town hall development into affordable units. The new homes to be built by KSD will only be marketed in the United Kingdom initially.

***Backing business and a strong local economy, supporting small local firms and local retailers, the Council's role as custodians of high streets and other local amenities:***

The scheme will help revitalise the western end of King Street by introducing a higher concentration of office workers, many new residents, new shops and a cinema. It will also directly provide a fund for investment in practical measures to regenerate this end of King Street, supporting local businesses and boosting the commercial attractiveness of this end of King Street, all controlled by the Council.

**84 - 90B High Street, Fulham**

- 4.6 The most recent terms negotiated with Spen Hill are largely driven by the configuration in the residential blocks in the approved design for Fulham High Street. There are a total of three residential blocks comprising 10 no. townhouses in Block C, 6 no. apartments in Block B and 42 no. apartments on Block A. The 5 no. shared ownership units provided by the Section 106 agreement are in Block B.
- 4.7 The proposal is that Spen Hill provide shared ownership units in Block B and a balancing capital payment to the Council.
- 4.8 Capita are the Council's appointed property advisers on the King Street Regeneration Project and also dealt with the negotiations with Spen Hill Developments Ltd on Fulham High Street. Capita have confirmed in respect of both transactions that the recommended terms represent the best consideration reasonably obtainable.

## **5 OPTIONS AND ANALYSIS OF OPTIONS**

### **King Street Regeneration Project**

- 5.1 KSD presented four options for consideration by the Council:

Option 1 - involves the Council in identifying alternative sources of funding for the fit-out of the new office building in the order of £2 million and foregoing 16 no. basement parking spaces. The gain for the Council would be a total of 11 no. units in Block E (6 no. x 2 bed & 5 no. x 3 bed) changed to social rented with rents capped at £145.80 per week and £153.90 per week for 2 no. and 3 no. bed units respectively.

Option 2 - involves the provision of a total of 7 no. units in Block E ( 4 no. x 2 bed & 3 no. x 3 bed) changed to discounted market sales at a maximum capital value of 3.5 times the average income threshold of £45,000, based on the London Plan, giving a unit value of £157,500.

Option 3 - involves the provision of a total of 7 no. units in Block E (4 no. x 2 bed & 3 no. x 3 bed) changed to discounted market rent with 1/3 of units up to £30,000.00, 1/3 of units up to £40,000.00, and 1/3 of units up to £64,300 for all types. Therefore both two and three bed flats would have an average rent of £240 per week.

Option 4 - involves KSD making a commuted payment towards the provision of off-site affordable housing, payment being made at the time the DA becomes unconditional i.e. anticipated to be at the end of 2015 or early 2016.

- 5.2 There are no alternative sources of funding as required by Option 1. The project has always been progressed on the basis that there is no financial contribution by the Council.

- 5.3 The Council's brief to KSD for the new office building is that it should be constructed to a commercial standard and be capable of being sub-let on a floor by floor basis. This provides the Council with the ability to react to fluctuations in its future accommodation requirement by renting either a part or the whole of the building, or by disposing of it on the open market. In pursuing any of the foregoing, the availability of parking would be a major factor in the marketability of the offices and therefore the loss of parking in Option 1 could become a significant issue in the future.
- 5.4 Options 1 and 3 would entail the payment of service charges in addition to rent, this would most likely determine that the units in these options would not be affordable.
- 5.5 Having regard to the anticipated development programme, the affordable units provided in Options 1, 2 and 3 would not be available for occupation until circa 2019/20. However, adopting Option 4 would enable the associated affordable units to be available within the next few years.

## **6 CONSULTATION**

- 6.1 KSD undertook comprehensive consultation with local residents and amenity groups prior to submitting their planning application for the King Street Regeneration Project.
- 6.2 There has been no consultation undertaken on either of the two proposals contained in this report.

## **7 EQUALITY IMPLICATIONS**

- 7.1 There are no equalities considerations in this report other than the preferred option represents the best offer with regard to increasing the supply of affordable housing which meets the housing need of those unable to afford market housing.

## **8. IMPLICATIONS FOR BUSINESS**

- 8.1 The King Street Regeneration Project is a mixed use scheme and upon completion will stimulate the regeneration of King Street by creating a new destination to attract visitors □with a high quality public realm, a range of café / restaurant spaces, food store and a new 'community' cinema.

8.2 The King Street Regeneration Project will create a regeneration fund with a contribution of £1 million from KSD towards regenerating the west end of King Street.

## **9. LEGAL IMPLICATIONS**

9.1 Comments are in the separate report on the exempt cabinet agenda.

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

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

10.1 Comments are in the separate report on the exempt cabinet agenda.

10.2 Implications verified/completed by: (Maria Campagna, Head of Financial Controls, Systems and Payments, tel: 020 8753 6014 and Christopher Harris, Head of Corporate Accountancy and Capital, tel: 020 8753 6440).

## **11. RISK MANAGEMENT**

11.1 Comments are in the separate report on the exempt cabinet agenda.

11.2 Implications verified/completed by: Michael Sloniowski, Tri-Borough Risk Manager, tel: 020 8753 2587


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

12.1 There are no direct procurement or I T strategy implications contained in this report.

12.2 Implications verified/completed by: Alan Parry, Procurement Consultant (TTS), tel: 020 8753 2581.

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

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

	<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>CABINET</b></p> <p align="center"><b>2 MARCH 2015</b></p>
<p><b>SPEECH AND LANGUAGE THERAPY SERVICE LEVEL AGREEMENT EXTENSIONS (2015-2016)</b></p>	
<p><b>Report of the Cabinet Member for Children and Education – Councillor Sue Macmillan</b></p>	
<p><b>Open report</b></p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt information on current costs and budgetary provision.</p>	
<p><b>Classification - For Decision</b>  <b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Executive Director:</b> Andrew Christie, Director of Children’s Services</p>	
<p><b>Report Author:</b> (name and title)  Rachael Wright-Turner - Tri Borough Director for Commissioning</p>	<p><b>Contact Details:</b>  Tel: 020 7745 6399  E-mail: Rachael.Wright-Turner@rbkc.gov.uk</p>

**1. EXECUTIVE SUMMARY**

- 1.1. This report requests that Cabinet agrees to waive the Council’s Contracts Standing Orders to approve extensions to the Hammersmith and Fulham contracts for speech and language therapy services for 18 months from 1 April 2015 - 30 September 2016. Extensions are required in order to support the completion of a joint competitive procurement process between the Local Authority and NHS for provision of speech and language services.

## **2. RECOMMENDATIONS**

- 2.1 That Contract Standing Orders be waived, in accordance with CSO section 3.1, to approve an extension of the Early Years speech and language contract from 1 April 2015 to 30 September 2016 with the current provider, Central London Community Healthcare NHS Trust (CLCH).
- 2.2 That Contract Standing Orders be waived, in accordance with CSO section 3.1, to approve the extension of the Education speech and language service level agreement from 1 April 2015 to 30 September 2016 with the current provider, Central London Community Healthcare NHS Trust (CLCH).
- 2.3 That approval be given to the placing of a joint prior indicative notice with the NHS Clinical Commissioning Groups to signal the intention of running a competitive tendering exercise in 2015-16, and to help support pre-procurement dialogue with potential providers on how to optimise quality and value for money in the new contract.
- 2.4 That authority be delegated to the Cabinet Member for Children and Education to take any further decisions needed to continue existing service provision until the new contract is in place, should this be needed to ensure service continuity.

## **3. REASONS FOR DECISION**

- 3.1. It is considered that a minimum of 18 months (April 2015 to September 2016) is required to complete a comprehensive and rigorous procurement exercise for paediatric speech and language therapy. The request for extensions to current contracts supports this exercise.
- 3.2. This includes sufficient time to provide the incumbent provider the requisite 12 month notice period, as per standard NHS contracts. As the Local Authority will need to end their service level agreements at the same time, it must also work to these timelines.
- 3.3. The extension period also allows sufficient time to develop a joint Local Authority and NHS exemplar service specification and outcomes focused performance framework needed to deliver a robust and effective tender (also requiring a minimum of 9 months to complete). If a new provider is appointed time will also need to be built in to TUPE over existing staff, a minimum of 3 months will be required for this work.
- 3.4. During the three year period for implementation of the Children and Families Act the Local Authority has a duty to undertake transfer reviews for children with a statement of Special Educational Need (SEN) to support the transfer to an Education, Health and Care Plan

(EHC). Parents have the opportunity to request speech and language therapy advice and/or assessment as appropriate during this process.

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

- 4.1. Contract extensions are sought for the Education and Early Years speech and language service agreements with the current provider Central London Community Healthcare NHS Trust (CLCH).
- 4.2. Extending arrangements with the current provider will ensure service continuity, and meet the expanded requirements of the Local Authority in implementing new duties under the Children and Families Act, while further work is carried out with the current market place providers to ensure readiness for the future joint procurement exercise.
- 4.3. Joint commissioning of speech and language therapy services will allow the Local Authority and Clinical Commissioning Group (CCG) the opportunity to fulfil the new legislative requirements set out in the Children and Families Act 2014. Information on the procurement work to date is outlined further in the report.
- 4.4. The transfer of children's statements of SEN to EHC Plans is also anticipated to lead to an increased demand for speech and language therapy advice to inform transfer reviews. Consequently the commissioned speech and language therapy for LBHF is being increased by one full-time equivalent post for the remainder of this contract; 18 months. The additional speech and language therapist will support the provision of a local offer for children in mainstream schools, without a statement of SEN/EHC plan and additional assessment demands, including in the post 16 age range.
- 4.5. Moving forward, it is proposed to strengthen the joint commissioning of speech and language therapy services.
- 4.6. A speech and language project group will progress this work through the appropriate governance channels and report on key commissioning and procurement milestones, and seeking approval at the relevant contracting stages.
- 4.7. The commissioning timeframe will include the provision of early updates on benchmarking and market warming exercises to share information on the speech and language therapy market, which will in turn impact on the eventual commissioning strategy approach, to be signed off in accordance with the Council's Standing Orders.

## **5. PROPOSAL AND ISSUES**

### **5.1. Procurement Advice**

5.2. Procurement advice to inform joint commissioning has been taken from:

- NHS South of England Procurement Services (working with North West London Commissioning Support Unit (NWL CSU))
- Tri-borough Children's Services Procurement Team

5.3. In line with procurement advice, speech and language services will therefore be tendered during 2015-17 to dovetail with expiry of the extended SLAs in September 2017. As noted in section three, 18 months as a minimum is needed to effectively specify and procure speech and language therapy across three Local Authorities, three CCGs and to ensure adherence with the significantly changing expectations of the Children and Families Act as well as ensuring local governance processes are met.

## **6. PROPOSED PROCUREMENT APPROACH**

6.1. Given the clear procurement advice, it is proposed that CCG and Local Authority commissioners agree to jointly re-commission and tender speech and language services within an 18 month timeframe i.e. by October 2016. The lead for this procurement will be NHS as they are the lead for joint commissioning.

6.2. In the interim extension period services will be purchased from the incumbent provider but on the understanding that a competitive procurement exercise will commence. This will allow sufficient time to develop a strong joint service specification and performance framework, which the incumbent provider will work to. This period will also be used to manage and warm the market, including carrying out accurate benchmarking.

6.3. An alternative option would be for the CCG, Education and Early Years to separately re-tender their respective speech and language services. This is not recommended as it would fragment local resources and provision, would fail to achieve economies of scale and would not fulfill the joint commissioning requirements of the Children and Families Act 2014.

6.4. The table below shows an outline of activity to be completed.



**Table 1: Procurement Activity**

Tasks
<ul style="list-style-type: none"> <li>• Develop 'joint' SALT service specification and performance framework</li> <li>• Issue SLA variation for above so incumbent provider (CLCH) can begin implementation of new model / requirements</li> <li>• Analyse and evaluate SALT market</li> <li>• Undertake benchmarking</li> </ul>
<ul style="list-style-type: none"> <li>• Issue formal notice to CLCH (that will be undertaking a competitive tender)</li> </ul>
<ul style="list-style-type: none"> <li>• Issue NHS/LA Section 75 agreement for joint commissioning of SALT</li> <li>• Begin market warming activities</li> </ul>
<ul style="list-style-type: none"> <li>• Start procurement exercise (allow 9 months for end to end process)</li> <li>• Write advert</li> <li>• Release advert</li> <li>• Issue PPG</li> <li>• Evaluate PPG</li> <li>• Chose bidder to go forward to ITT</li> </ul>
<ul style="list-style-type: none"> <li>• Award contract to successful SALT provider</li> </ul>
<ul style="list-style-type: none"> <li>• Implementation phase – including any TUPE considerations</li> </ul>
<ul style="list-style-type: none"> <li>• New service starts delivery</li> </ul>

## 7. OPTIONS AND ANALYSIS OF OPTIONS

### Paediatric Speech and Language Market

- 7.1. Locally there is a strong NHS orientated market with a number of large organisations supplying paediatric therapies including speech and language therapy to the CCG, schools and hospitals. These providers include acute hospitals such as Imperial College Healthcare NHS Trust and Chelsea & Westminster NHS Foundation Trust.
- 7.2. Locally the main provider of paediatric speech and language services across the three boroughs is the Central London Community Health Care NHS Trust (CLCH) however; there are other local community health providers, such as Central and North West London NHS Trust (CNWL), who also provide paediatric speech and language therapy in London. In addition there is a plethora of private health providers, ranging from individual self-employed therapists to private paediatric hospitals such as the Portland. Lastly there are also private sector companies who are steadily increasing their delivery of health services across the United Kingdom, including the behemoths, Virgin and Serco.
- 7.3. The changing funding arrangements for schools and the development of personal budgets for users may also further develop the therapies market locally.

- 7.4. In preparation for the tender exercise work will be carried out to “warm” the Speech and language market to ensure provider interest in a procurement exercise.

## **8. BENCHMARKING**

- 8.1. It is challenging to assemble comparable performance data on paediatric speech and language as services, which are often delivered by separate NHS providers and funded by a variety CCG and LA commissioners. Work, however, will be undertaken to understand and where possible analyse models of delivery and comparable performance across London. Additionally, updating the service specification and performance requirements will improve focus on outcomes, costs, value for money and effectiveness. In taking forward the service specification the Local Authority will draw on the ‘Better Communication Guidance’ (DfE, December 2012).

## **9. CONSULTATION**

- 9.1. A three-borough Speech Language and Communication Commissioning Group was convened in July 2013 and has met (bi-monthly) to progress the joint commissioning project. Stakeholders include; Children's Joint Commissioners, CLCH (service provider), Head Teachers, Education and Early Years Commissioners, CCG officers and a CCG Patient Representative. The group works to an agreed Action Plan and Project Brief and has had both Education and Early Years task groups.
- 9.2. Parents and carers have been engaged through the Children and Families Act ‘Local Offer’ co-production work stream. Co-production began at the end of January 2014 at the Children and Families Act launch event and has continued through six borough specific workshops. Specific feedback on speech and language has been collected which will be used to understand fully parent/carer priorities.

## **10. EQUALITY IMPLICATIONS**

- 10.1. A Speech, Language & Communication Commissioning Group made up of key stakeholders including health, Local Authority, Schools, Commissioners and a parent patient representative have been meeting since 2013. This group has oversight of current contracts performance, as well as leading on the future commissioning intentions. At these meetings, as well as through quarterly monitoring meetings, performance of the current contracts has been monitored and CLCH are meeting their contractual targets. This practice will continue during the extension period to ensure the needs of children and families are met.

- 10.2. Commissioning officers are holding contract monitoring meetings for the early years contracts which cover the performance information for three boroughs to try and align monitoring requirements and ensure that the Local Authority is tracking outcomes for all users. This information will be used in developing the future commissioning strategy and identify specific requirements for delivery.
- 10.3. Similarly, for the Education services officers have just completed a consultation exercise with borough parents reviewing the local offer to inform the new specification and other aspects of service provision. There is on-going consultation with parent/carer representatives through the Parent Reference Group.
- 10.4. An equality impact assessment will be conducted following the development of detailed service specifications, and a full assessment will be developed as part of the commissioning of new service arrangements.

## **11. LEGAL IMPLICATIONS**

- 11.1. As there is a duty on the Council to deliver the above referred speech and language therapy services, there is reasonable justification to waive the Contract Standing Orders to approve to extend the SLT contract with the current provider as proposed so as not to default on our duties while the procurement is being undertaken. Being a Part B service under the Public Contracts Regulations, the chances of challenge are remote and in any case there are mitigating circumstances as the proposed extensions is for an interim period while a full scale procurement exercise is undertaken.
- 11.2 Implications verified/completed by: Babul Mukherjee- Solicitor (Contracts), Bi-borough Legal Services-Tel: 020 7361 3410.

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

- 12.1 Comments are in the separate report on the exempt cabinet agenda.
- 12.3 Implications verified/completed by: Tony Burton - Lead Business Partner, Children's Services. Telephone: 020 7641 2462.

## **13. RISK MANAGEMENT**

- 13.1 There is a duty to provide the service and the duty is noted on the corporate Tri-borough risk register as managing statutory duty, risk number 8, compliance with laws and regulations. Extension of the existing contract also provides important continuity of service for the

period leading up to the completion of the procurement exercise; this is in compliance with corporate risk number 6 on the Tri-borough risk register.

- 13.2 The procurement also contributes positively to the management of risk 1; managing budgets and risk number 4 market testing risks, delivering high quality commissioned services at the best cost to the taxpayer. Working with the CLCH and NHS together with Tri-borough councils is an opportunity risk and potential benefits arising from the joint exercise contribute locally to the Council in accordance with preserving the reputation of the Council risk, meeting the public needs and expectations. Where there are information risks associated with a potential new service provider these should be identified through the completion of a privacy impact assessment.
- 13.3 Implications verified by: Michael Sloniowski, Tri-borough Risk Manager  
Telephone: 020 8753 2587.

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

- 14.1 The existing arrangements for provision of speech and language therapy services are due to expire on 31<sup>st</sup> March 2015. Normally, a competitive tendering exercise would be run to procure a new contract. However, for reasons explained in the report, neither the Council nor the NHS Clinical Commission Group currently have the certainty and clarity about the future delivery model required to run an efficient procurement. Speech and language therapy (SLT) services are a statutory requirement, and service continuity therefore essential.
- 14.2 SLT services are currently defined as being “Part B” under the Public Contract Regulations 2006 (as amended) and not therefore subject to the full mandatory regulated procurement regime that services defined as “Part A” are. Nonetheless, the principles of transparency and fairness still apply when procuring Part B services, including the continuation of existing arrangements beyond their contractual expiry date.
- 14.3. Waivers to the Council’s Contracts Standing Orders are permitted under section 3.1 where these are agreed by the appropriate persons – in this case Cabinet – as they believe the waiver is justified; for instance, it is in the interests of the Council (and in this case vulnerable service users) to do so.
- 14.4 The risk of possible challenge from another service provider to a continuation of the existing arrangement with Central London Community Healthcare NHS Trust is considered slight, but nonetheless exists. This would be mitigated by the placing of an indicative notice stating the Councils’ and NHS Clinical Commissioning Groups’ intention to run a competitive tendering exercise in 2015-16; it would also support pre-procurement dialogue between commissioners and potential


providers on how to optimise quality for service users and value for money for the commissioning bodies in the new contract.

- 14.5 Whilst the existing arrangements remain in place, Commissioners should continue to seek service and efficiency improvements from the current provider for the duration of the contract, in line with the Council's contracts review programme.
- 14.6 The Director of Procurement & IT Strategy supports the report's recommendations.
- 14.7 Implications completed by: John Francis, Principal Consultant, H&F Corporate Procurement Team, FCS. Telephone: 02087532582

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	CAB Report – Joint Commissioning and Procurement for Speech and Language – August 2014 (published)		CHS

# Agenda Item 8

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>2 MARCH 2015</b>
<b>EDWARD WOODS ESTATE - NORLAND, POYNTER &amp; STEBBING ROOFTOP APARTMENT</b>	
<b>Report of the Cabinet Member for Housing - Councillor Lisa Homan Cabinet Member for Economic Development and Regeneration - Councillor Andrew Jones</b>	
<b>Open Report</b>	
<b>For Decision YES</b>	
<b>Key Decision: Yes</b>	
<b>Wards Affected:</b> Shepherds Bush Green	
<b>Accountable Executive Director: Melbourne Barrett - Housing &amp; Regeneration</b>	
<b>Report Author:</b> Stephen Kirrage – Director Asset Management & Property Services  Paul Monforte – Head of Operations	<b>Contact Details:</b> Tel: 020 8753 3064 E-mail: <a href="mailto:stephen.kirrage@lbhf.gov.uk">stephen.kirrage@lbhf.gov.uk</a>  Tel: 020 8753 1745 E-mail: <a href="mailto:paul.monforte@lbhf.gov.uk">paul.monforte@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1 Twelve new rooftop apartments, located on the three large blocks in the Edward Woods Estate, were built as part of a wider scheme, which also comprised concrete repairs and energy efficiency measures. The flats were originally planned to be sold on the open market. However, a lack of basic due diligence when the scheme started in 2007 meant that it was not realised that mortgages would not be available for potential buyers.
- 1.2 It was reported to Cabinet in November 2013 that the project was ill-conceived and badly executed. The 2013 report identified a series of issues including:

- Failure to check whether or not rooftop apartments not accessed by lifts could be subject to a mortgage.
- Insufficient project planning at the commencement of the project.
- Poor choice of contract, leading to unfamiliarity and procedural failings
- Over optimism in 2011 with regard to the likely completion date (and associated costs).
- Construction delays due to design changes and disputes relating to design liability (regarding choice of contract).
- Major design change to the concrete mullions (that run the full height of each block). A significant variation in itself, additionally complicated by dispute over design liability.
- Omission of lift refurbishment from the project in mid-2011 on cost grounds.
- Disputes and arbitration actions brought by the contractor

1.3 Collectively, these issues resulted in an estimated overspend on the overall regeneration project of £5,019,149 (as at November 2013).

1.4 In November 2013, the previous administration belatedly realised that it was not possible to sell these units on the open market as banks would not provide mortgages to potential buyers. It was therefore decided to let them out at discount market rent (just below open market rent). Members have expressed concerns that sufficient due diligence was not carried out in relation to the mortgageability of the properties before they were built.

1.5 The new administration, elected in May 2014, set out in their manifesto 'the change we need' to protect social housing and provide genuinely affordable housing for local residents. The manifesto also made a commitment in respect of putting children and families first and to 'work to attract and retain good teachers, which may include offering support with accommodation'.

1.6 The rooftop flats provide an opportunity to increase the supply of social housing and specifically provide accommodation for key workers through the allocation of a proportion of them to teachers.

## **2. RECOMMENDATIONS**

2.1. That delegated authority be given to the Director for Housing Options, Skills and Economic Development in conjunction with the Cabinet Member for Housing to develop in consultation with residents a Local Lettings Plan to govern the allocation of these properties.

2.2. That the letting of the rooftop apartments be carried out by the Allocations team with the homes allocated in accordance with the Local Lettings Plan agreed specifically for these properties.

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

- 3.1. The reason for this decision is to make best use of the Council's housing portfolio and contribute towards meeting the aims of their manifesto.

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

- 4.1. The Edward Woods Estate is located in the northeast of the borough overlooking the Westfield shopping centre. It is a purpose built estate consisting of three high rise (23 storey) and 4 medium rise (4/5 storey) blocks of flats and maisonettes. Over the last fifteen years, the estate has benefited from major public and private investment to support various regeneration and redevelopment initiatives.
- 4.2. The final phase of the original regeneration project was to address the three tower blocks and secure their structural integrity, improve thermal insulation, and enhance their physical appearance.
- 4.3. The tower block project comprised the over cladding and regeneration works at Norland, Poynter, and Stebbing Houses, and included insulation; the provision of enhanced energy saving (photovoltaic panels and associated works); the provision of gas central heating to studio flats; the construction of 12 new residential accommodation units on the roofs of the three blocks (originally intended for sale); the creation of office accommodation in unutilised ground floor areas (intended for commercial / voluntary sector letting).

### **5. PROPOSAL AND ISSUES – Rooftop Apartments**

- 5.1 Twelve rooftop apartments have been created, four per block at the 23<sup>rd</sup> floor level.
- 5.2 In November 2013, following the presentation of a paper to the former cabinet, a report was considered on the future tenure of the 12 new units and due to the inability to sell them a decision was taken to promote and let the units as discount market rent properties. This decision was taken in anticipation of completion of these properties, with the final completion of these units only occurring in Mid 2014, and limited marketing of these units was progressed
- 5.3 In response to the new administration's manifesto 'The change we need' it is proposed that these properties be let at social rent and made available for local residents.
- 5.4 Applicants for these units will be assessed by Housing Options, and due to the limitations of the accommodation will be limited to couples with one teenage child, or a single parent with two, same-sex, teenage children.



- 5.5 Additionally, there is a clear opportunity to achieve a further aim of the new Administration. It is a manifesto commitment to offer support with accommodation for teachers in the Borough, and use of these apartments represents a good opportunity to support that aim.
- 5.6 The Council's Scheme of Allocation makes provision for the establishment of a Local Lettings Plan (LLP) to govern the allocation of a particular group of properties. There is clear evidence that there is substantial housing demand from teachers in the Borough. The draft Housing Strategy, to be issued for consultation shortly, includes reference to the issue of giving greater priority to key workers within the Council's housing policies. It is proposed that the Director for Housing Options, Skill and Economic Development shall develop and put in place such an LLP to govern the allocation of these properties. A copy of the draft LLP is attached for information at Appendix 1.

## 6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. A range of other options were considered in the previous November 2013 report to Cabinet.
- 6.2. The costs were reported to Cabinet in November 2013 as outlined below. Outturn costs have not significantly changed, while the provisional items have largely been incurred and are now included in the variations for the construction of 12 rooftop apartments is £3,887,006 (i.e. circa £324,000 per unit). Below table is a breakdown of main expenditure items:

<b>Summary of Key Elements of Construction Costs of Rooftop Apartments</b>		
		£
<b>Preliminaries</b>	14.5%	337,693
<b>Measured Works</b>		
Internal works to 23 <sup>rd</sup> floor (within existing envelope)		752,197
New works to levels 23 and 24		839,828
<b>M &amp; E installation</b>		287,095
<b>Variations relating to Rooftop Apartments</b>		1,670,193
<b>Estimated total costs for Rooftop Apartments</b>		<b>3,887,006</b>

## 7. EQUALITY IMPLICATIONS

- 7.1. An Equality Impact Assessment is not required in relation to this report; relevant issues have not changed since original approval of this project.

## **8. LEGAL IMPLICATIONS**

- 8.1. Section 166A(6) of the Housing Act 1996 enables local housing authorities to allocate particular accommodation to people of a particular description, for example teachers and other key workers, by way of a Local Letting Plan. All council properties must be allocated in accordance with the Council's housing allocation scheme and, as set out in paragraph 5.6 the current scheme contains provision for letting certain properties through a Local Lettings Plan.
- 8.2. *Implications verified/completed by: Janette Mullins, Principal Solicitor (Housing and Litigation) 020 8753 2744*

## **9. FINANCIAL AND RESOURCES IMPLICATIONS**

- 9.1. The draft Long Term Financial Plan for Council Homes and the draft 2015/16 Housing Revenue Account contain no rent or sales income from these properties as their use was being reconsidered at the time the numbers were prepared.
- 9.2. If all twelve properties are let at social housing rents the additional net income after management and maintenance costs received by the Housing Revenue Account each year will be £34k.
- 9.3. Service charges will also need to be paid, these need to be calculated and the service charge percentage allocations to tenants and leaseholders in Norland, Poynter, and Stebbing Houses will also need to be reviewed. This is likely to result in a reduction in the percentage of service charges allocated to each existing flat.
- 9.4. The roof-top flats are currently held on the Council's balance sheet at a value of £5.3m. They have an associated revaluation reserve of £4.3m. Any conversion to social housing will likely result in an impairment of these assets, however for the reasons set out below this will not impact on the HRA's working balance.
- 9.5. The theoretical impairment is because the Government requires that social housing is valued at 25% of the equivalent 'Existing Use Value' (EUUV). Any impairment losses will, in the first instance, be charged to the revaluation reserve. Thereafter, losses ordinarily will need to be charged to revenue but these losses can be mitigated under special provisions which are in place for HRA dwelling assets until 2017. As such, there will be no impact on the HRA's working balance arising from any impairments consequential to the conversion of these assets.
- 9.6. Implications completed by Kathleen Corbett, Director for Finance and Resources, Housing and Regeneration, 0208 753 3031

## **10. RISK MANAGEMENT**

- 10.1. The risk of financial loss through the sale of deeply discounted rooftop apartments has been considered. By including these properties within the general needs portfolio, the Council will retain the benefit of the asset, with any potential increase in asset value over future years.

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

- 11.1. Not applicable.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Original Approval Papers (published)		HRD

### **LIST OF APPENDICES:**

- 1 Local Lettings Plan

## Local Lettings Plan

### Norland, Stebbing and Poynter Houses, Edward Woods Estate W11

**1. This plan sets out how the Council wants to put in place a plan for allocating the 12 new rooftop apartments.**

The Council is responsible for letting homes to households who need housing either from its Housing Register (people needing affordable rented housing) or its Home Buy Register Scheme (people who wish to access low cost home ownership or homes available at a sub market rent).

These new rooftop apartments will soon be ready for occupation and have 2 bedrooms, each of which can accommodate 3 people. The design of the homes are not considered suitable for households with very young children, older people and those who are disabled, because of access issues, principally because the new homes have to be accessed by stairs from the top lifted floor of each of the blocks.

Allowing for the design and location of the new homes, the Council intends that the homes should be allocated in an innovative way, using a Local Lettings Plan. In Section 2 we describe the approach we are proposing to adopt. In Section 6, is the timeline for approval and adoption of the Local Lettings Plan.

**2. Local Lettings Plan - Proposed Criteria**

The Council intends to let these homes for rent with no homes sold at discount or on the open market.

Due to the design of these homes the Council is proposing that priority is given to households as follows:

- homes are allocated to teachers who are eligible for inclusion in the Council's Home Buy Register, which includes applicants who are seeking homes available at a sub market rent level.
- Any remaining homes are allocated to households who qualify for inclusion from the Housing Register.

Our policies on the Council's Home Buy Allocation Scheme and Housing Allocation Scheme include more detail but summaries of both of these documents can be found on the internet: [www.lbhf.gov.uk/edwardwoodslocallettingsplan](http://www.lbhf.gov.uk/edwardwoodslocallettingsplan)

The allocation of homes to teachers from the Home Buy Register will be guided by the following principles:-

- Applicants will be prioritised on the basis of the lowest household income having the highest priority.

- Applicants will need to provide evidence from their employer that they are employed at a HF primary or secondary state school. Length of service may be taken into account but discretion maybe applied where there has been a break in service (e.g., for maternity/paternity leave, previously worked in other borough(s)). Where the Council is aware of a teacher (or teachers) who currently live and work outside the Borough, but who wishes to take up a firm offer of employment at a HF state school, then the Council may use its discretion to offer a tenancy to such an applicant. This means the usual residency / employment criteria (i.e., twelve months in Hammersmith & Fulham will not be applied).
- Where a teacher's application includes a household member who is also registered on the Home Buy Register, officers will consider giving enhanced priority to such an application, in consultation with the Cabinet Member for Housing.
- The Home Buy Allocation Scheme application criteria require that applicants should have lived or worked in the borough for at least 12 months.

On the issue of tenancies:

- The council's intention in the first instance is to issue a two year fixed term tenancy, preceded by a one year introductory tenancy. Tenancies that are granted following the expiry of the tenancy will be granted in line with the policies set out in the Council's Tenancy Strategy and associated policies in place at the time. Renewal of a tenancy will include a requirement that the original applicant has remained employed as a teacher and has successfully met the terms of their tenancy (e.g., paid their rent on time).

On the issue of the layout and design:

- Due to the unique layout and location of these properties, 1-1 discussions with applicants will need to be undertaken to ensure that the homes are suitable for the proposed household members.

In the event that an insufficient number of teachers can be allocated to the homes available, officers in consultation with the Cabinet Member for Housing, will review what other categories of 'key workers' may be considered.

#### **4. Legal Considerations**

Local authorities are required to have a Housing Allocation Scheme which sets out the rules by which available affordable housing for rent is allocated in the Borough. A guiding principle to the current Scheme is that a successful applicant will need to have met at least one of the Government's 'reasonable preference' criteria, which is a legally defined test of housing need.

The Council's current Housing Allocation Scheme (December 2012) allows it from time to time to consult and adopt Local Lettings Plans to vary the rules that it has adopted. Local Lettings Plans allow the Council to set aside homes on a particular

estate, or certain types of properties across the stock, for applicants who meet a certain criteria.

The Housing Allocation Scheme is likely to be the subject of a review during 2015, however the Council does expect to retain discretion to adopt Local Lettings Plans following consultation in circumstances as described in the current Scheme.

## **5. Equality Considerations**

The Council will monitor the equality impacts of this Local Lettings Plan and ensure that its statutory responsibilities set out in the 2010 Equalities Act are met.

## **6. Timeline for Consultation and Adoption of Local Lettings Plan**

The Council is obliged to consult with those who are likely to be affected by the implementation of this Local Lettings Plan. To meet this obligation, the Council is consulting with residents – i.e., tenants and other occupiers– in Norland, Stebbing and Poynter Houses

**The consultation period for this Local Lettings Plan runs ends at 5pm on Wednesday 18 March 2015.**

Please submit your comments to [housingconsultation@lbhf.gov.uk](mailto:housingconsultation@lbhf.gov.uk) . You can also write to us at:


Edward Woods Local Lettings Plan Consultation  
Housing & Regeneration Directorate  
First Floor, 145 King St,  
London W6 9XY

Ring us on us on 0208 753 69if you would like to ask us any questions or explain how this Local Lettings Plan is going to work in practice.

Each submission will be carefully considered on its merits and the draft Local Lettings Plan may be revised. The final document will be agreed by the Cabinet Member for Housing.

The Council expects to start letting the homes after the Local Lettings Plan is adopted and this will be from Spring 2015 onwards when the homes are expected to be available for occupation.

This Local Lettings Plan shall apply for no less than five years which means that any empty homes that arise during that period, the policies set out in this document shall apply.

	<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>CABINET</b></p> <p style="text-align: center;"><b>2 MARCH 2015</b></p>
<p><b>CORE DRUG AND ALCOHOL ADULT SERVICES RE-PROCUREMENT</b></p>	
<p><b>Report of the Cabinet Member for Health and Adult Social Care : Councillor Vivienne Lukey</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For Decision</b></p>	
<p><b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Executive Director:</b> Liz Bruce, Executive Director Adult Social Care and Health</p>	
<p><b>Report Author:</b> Gaynor Driscoll, Head of Commissioning, Public Health Department</p>	<p><b>Contact Details:</b> Tel: 07967347800 E-mail: <a href="mailto:gaynor.driscoll@rbkc.gov.uk">gaynor.driscoll@rbkc.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to re-procure core drug and alcohol services across Hammersmith and Fulham (H&F), Royal Borough Kensington and Chelsea (RBKC) and Westminster City Council (WCC) during 2015, streamlining systems and making efficiencies to bring added value to each borough, and ensure improved outcomes for service users. Appendix A provides the business case for approval to proceed to procurement. It contains the information to inform the cabinet members decision making process.
- 1.2. This report sets out the preferred option, the rational to re-procure, some background information on why we invest in substance misuse services and what is excluded from the procurement strategy.

## **2. RECOMMENDATIONS**

- 2.1 That approval be given to procure core drug and core alcohol services during 2015 in accordance with Option 3b as set out in this report, providing for a revised service model across the three boroughs that retains sovereignty.
- 2.2 That the appointment of the successful provider be delegated to the Cabinet Member for Health and Adult Social Care.

## **3. REASONS FOR DECISION**

- 3.1. Investing in substance misuse as referenced in appendix A evidences the need to maintain support for treatment services. Current contracts are due for renewal 31 March 2016. This allows for a three month consultation period and full year procurement period from April 2015.
- 3.2. The current treatment system is not sustainable in its current form. Redesign must take place in order to meet the changing needs of drug and alcohol users. Drug using trends are changing and our current service model has failed to engage with these groups of users.
- 3.3. There are identified unmet needs for alcohol users who range from street homeless to residents who work and are drinking at increasing and high risk levels.
- 3.4. Hammersmith and Fulham has the second highest rate for alcohol related hospital admission in the country. There are higher than average increasing and high risk alcohol users in the borough leading to significant health problems and costs to the community. In relation to drug use the estimated prevalence of opiate and crack cocaine use is 10.1 per 1000 head of population. This is not fully reflective of the wider range of drug use amongst residents, including cannabis, new psychoactive substances (legal highs) and khat.

## **4. INTRODUCTION AND BACKGROUND**

- 4.1. H&F has been commissioning drug and alcohol services on behalf of health and local authority since the 1990's. These services are well embedded in a wider network of service provision with longstanding collaborative and integrated relationships across the three local authorities.
- 4.2. Public Health England has researched the impact of investing in Drugs and Alcohol and the following identifies the averages across England:
  - Every 5,000 patients screened in primary care may prevent 67 A&E admissions and 61 hospital admissions - Costs = £25,000, Saves = £90,000.
  - One alcohol liaison nurse can prevent 97 A&E visits and 57 hospital admissions – Costs = £60,000, Saves £90,000.
  - Every 100 dependent people in treatment can prevent 18 A&E visits and 22 hospital admissions - Costs = £40,000, saves £60,000.
  - Every £1 spent on drug and alcohol treatment saves £2.50 costs to society.



4.3. The main aims of the re-procurement are to reduce the harms caused by drug and alcohol use and support the successful completion of treatment by being more responsive to changing drug trends. The new service will:

- manage a wide range of substances
- increase satellite and outreach working
- increase home treatment
- engage more service users earlier
- increase numbers accessing alcohol treatment
- increase the focus on employability
- reduce hospital admissions.

4.3 Current contracts are due for renewal 31 March 2016 and the opportunity exists to redesign, make efficiencies and improve accessibility based on the evidence shown below.

<b>Table 1 Penetration Rate of Current Treatment System<sup>1</sup></b>						
	<b>Users of Opiates and Crack</b>		<b>Users of Other Drugs</b>		<b>Alcohol Misusers</b>	
	Prevalence Estimate	2013-14 Treatment Population	Prevalence Estimate	2013-14 Treatment Population	Prevalence Estimate	2013-14 Treatment Population
<b>H&amp;F</b>	1548	692 (45%)	2805	150 (5%)	7667	432 (6%)

4.4 There are a number of services that will not be included in the procurement exercise as they have been recently commissioned or sit outside core provision:

- in-patient detox
- care management (purchased care packages, safeguarding)
- group work programme across the three boroughs
- primary care support service across the three boroughs
- reducing reoffending service
- pharmacy and GP contracts
- young people and transitions.

4.5 The attached business case (Appendix A) was presented to the Public Health Transformation and Integration Board on the 10 December 2014 and the Shared Services Board on the 26 November 2014 and the 07 January 2015 with revisions. The report is also following the required processes in Westminster City Council and the Royal Borough of Kensington and Chelsea. Lead members for public health have also been consulted.

## **5. PROPOSAL AND ISSUES**

5.1. The new service will work in partnership to transform public services in order to benefit local residents. A key feature of the new service will be the requirement to work across networks in order to improve joint working and integrate pathways. It is intended that services will be more accessible to support people in their own homes and local areas through the remodelling of treatment services.

<sup>1</sup> National Drug Treatment Monitoring System 2013-14 Treatment Activity. Projecting Adult Needs and Service Information System 2014. Health Profiles Public Health England 2014.

- 5.2. Drug services - core interventions will continue. These include, prescribing, psychosocial interventions, education, training and employment support, hepatitis screening and support into blood borne virus (BBV) treatment, peer mentoring.
- 5.3. Alcohol services - the service will include hospital liaison, older people and alcohol services, community detoxification, and a range of alcohol treatment interventions.
- 5.4. The proposed service model will respond flexibly to the needs of residents of the borough through earlier intervention and diversion from entrenched addiction issues. In addition we will shift emphasis away from costly medically led services to focus on the holistic needs of our residents.

## 6. OPTIONS AND ANALYSIS OF OPTIONS

### Option 1 – do nothing.

This is not recommended as we will not be able to sustain the level of core provision required by our residents.

### Option 2a – procure three integrated core drug and core alcohol services – single borough.

Pros – providers would focus on one borough, in line with localism.

Cons – this is the current model and does not meet identified need, the procurement process will be more complex, limited efficiency savings to be gained, more resource intensive for commissioners and contract management, does not recognise the mobility of service users nor service user choice, does not take account of sustainability.

### Option 2b – procure one integrated core drug and core alcohol service across H&F; RBKC; WCC.

Pros – one contract to manage, communication may be easier as only dealing with one provider.

Cons – option would not meet identified need for alcohol users or new drug trends, large complex contract to manage, does not take account of sustainability, does not recognise the mobility or service users nor service user choice.

### Option 3a – procure six separate core drug and core alcohol services – single borough.

Pros – smaller contracts to manage, easier to promote locally, could be more responsive to neighbourhoods.

Cons – limited efficiencies to be made as there will be increased management costs, six contracts to manage and therefore increased costs to authorities in terms of legal, commissioning and contracting, risk of duplication of services, does not take account of sustainability.

**Option 3b** – procure separate core drug and core alcohol services across H&F; RBKC; WCC within a framework agreement.

Pros – efficiencies to be made as two contracts to manage, meets the identified need for alcohol service, new drug trends addressed, performance management more efficient, takes service user and wider partnership feedback into consideration, creates more equitable and sustainable service for our populations, increases choice, clarifies pathways.

Cons – limited alcohol provider market, one size doesn't fit all therefore the new model must recognise the differences across the three authorities as part of the procurement process.

**Option 4** – procure services with additional neighbouring authorities to the three boroughs.

6.1 Option 4 cannot be achieved in respect of the boroughs included in the West London Alliance as the majority are currently in the middle of their own procurement of drug and alcohol services. Other central London boroughs are also either out to procurement or recently have recently commissioned specialist services.

6.2 It is recommended that we have approval to proceed to procure core drug and core alcohol services during 2015 and that the cabinet supports Option 3b to procure a revised service model across the three boroughs that retains sovereignty.

## **7. CONSULTATION**

7.1. Consultation will take place with service users and council departments where there are links and joint working if approval to proceed is granted.

## **8. EQUALITY IMPLICATIONS**

8.1 An equality impact assessment will be conducted if approval to proceed is granted.

## **9. LEGAL IMPLICATIONS**

9.1. Core drug and alcohol services are Part B services for the purposes of the Public Contract Regulations 2006 (as amended) (Regulations). The proposed contracts should be procured in accordance with the Regulations and the Contract Standing Orders.

9.2. Legal Services will be available to advise throughout the procurement process.

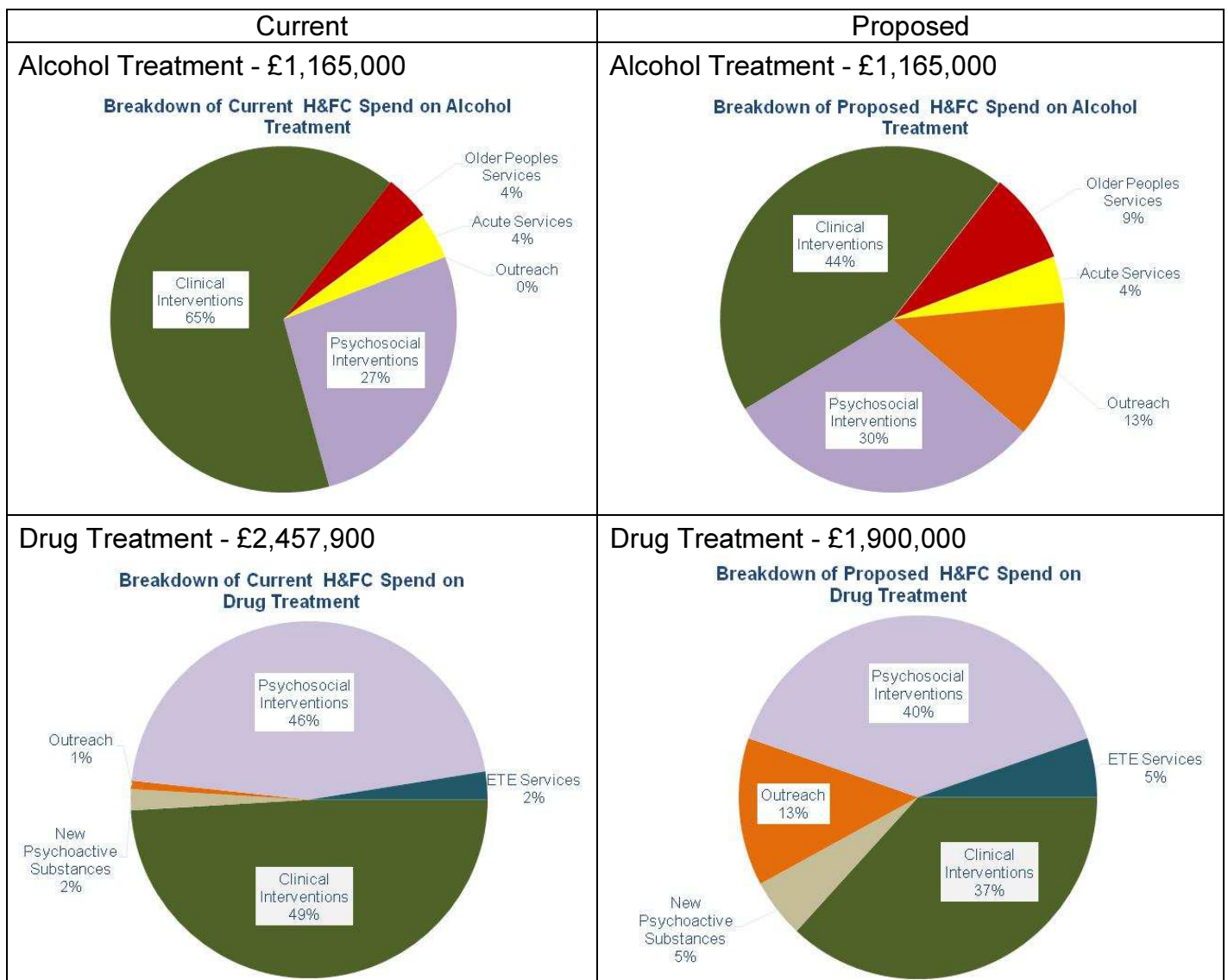
9.3. Implications completed by: Kar-Yee Chan, Solicitor (Contracts), Bi-borough Legal Services, 020 8753 2772.

## 10. FINANCIAL AND RESOURCES IMPLICATIONS

10.1 As part of the agreed three year substance misuse business plan 2014-2017 it is the ambition to make efficiencies in the region of £2 million across the whole system, of which approximately £560,000 relates to Hammersmith and Fulham, which will be generated through this procurement. Additional efficiencies will be considered in response to further needs assessment work.

10.2 The pie charts below show the current core drug and core alcohol annual investment profile and proposed future investment profile.

### HAMMERSMITH & FULHAM COUNCIL



There are no efficiencies being drawn down from the investment in Alcohol services within H&F due to the high levels of need within the borough and 2<sup>nd</sup> highest admission to hospital rates for directly attributable alcohol related disease.

10.3 The figures above are contained within the overall budget envelope for substance misuse services.

10.4 Implications verified/completed by: Timothy Carr (Finance Business Partner) 020 7641 1772

## 11 RISK MANAGEMENT

- 11.1 Management of this risk is noted on the Council's strategic risk register, risk number 4 market testing and risk number 5 Public Health risks. As referenced in appendix A the impact of not sustaining core services for our drug and alcohol using populations will create a range of problems across our communities which will lead to a higher expenditure. Unless we re-procure, essential core services may not be sustainable.
- 11.2 Re-procuring services could result in a sites used for service provision. There is a mix of provider owned/leased and council managed properties across the substance misuse system. This risk will need to be managed through the procurement process. Procurement and mobilisation risks remain the responsibility of the Adult Social Care department and are therefore managed within the existing departments risk management process.
- 11.3 Implications verified/ by: Michael Sloniowski Tri-borough Risk Manager telephone 020 8753 2587.

## 12 PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1 This report proposes the move to two separate three year contracts One for core alcohol treatment and one for core drug treatment. Contracts will include break clauses and opportunities to vary the level of investment each year.
- 12.2 The Hammersmith and Fulham contribution to the to the contracts are £1,165,000 for the alcohol service and £1,900,000 for the drug service per annum.
- 12.3 The Hammersmith and Fulham Contract Standing Orders state that for tenders over the EU Threshold for Supplies and Services (currently £172,514), Officers are required to use a competitive process via an Invitation to Tender and a minimum of 5 tenders should be sought.
- 12.4 A restricted tender process will be used and the opportunity will be advertised through the capitalEsourcing portal in line with the mandatory requirements
- 12.5 Implications completed by: Sherifah Scott, Head of Procurement and Contracts ASC, 020 7641 8954

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

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

#### LIST OF APPENDICES:

Appendix A: Business Case version 22

## APPENDIX A: BUSINESS CASE VERSION 22

### BUSINESS CASE – Approval to Proceed to Procurement

**Proposal Name:** Core Drug and Alcohol Adult Services Procurement

**Proposal Sponsor:** Liz Bruce, Executive Director Adult Social Care and Health

**Submitted By:** Gaynor Driscoll

**Job Title:** Head of Substance Misuse, Sexual Health and Offender Health

**Department / Team:** Public Health – Substance Misuse, Sexual Health and Offender Health Commissioning Team

## 2. EXECUTIVE SUMMARY

- 2.1. This report seeks approval to re-procure core drug and alcohol services across Hammersmith and Fulham (H&F), Royal Borough Kensington and Chelsea (RBKC) and Westminster City Council (WCC) during 2015, streamlining systems and making efficiencies to bring added value to each borough, and ensure improved outcomes for service users. To set the context, Appendix 1 provides background information on the current system and who it is provided for, performance, gaps and opportunities.
- 2.2. The conditions attached to the ring fenced Public Health grant are broadly the same as in previous years. However Public Health England have added a new condition for 2015/16 stating that Local Authorities should “have regard to the need to improve the take up of, and outcomes from, their drug and alcohol misuse treatment services”. This supports both the ongoing priority given to drug and alcohol treatment services by PHE and the option recommended in this report.
- 2.3. H&F, RBKC and WCC have been commissioning externally, drug and alcohol services on behalf of health and local authorities since the 1990’s. These services are well embedded in a wider network of service provision with longstanding collaborative and integrated relationships across the three local authorities, including Community Safety, Housing, Family and Children’s services, Adult Social Care, Environmental Health, and externally with primary care, acute care, job centres, the independent sector, NHS Commissioning Board, Mayor’s Office, Home Office, Dept. Of Health. The current system has been commissioned taking account of the Government Drug Strategy (2008). The revised 10 year drugs strategy in 2010 has resulted in making some modifications to our system however we need a more thorough system transformation to ensure we meet the changing needs of our local populations.
- 2.4. Investing in drug treatment optimises an individual’s social capital. There is a significant and growing body of evidence showing that investing in the prevention and treatment of drug and alcohol misuse improves social, physical, human and recovery capital. As individuals recover from their addiction or problem use they increase their ability to access education, training and employment, sustain appropriate housing, commit fewer crimes and improve relationships often reconnecting with their families and gain

positive social networks. The impact of not investing in this will result in a negative impact on individuals, families and the community increasing costs to health and social care systems, criminal justice systems and increases demands on the welfare benefits system. (Appendix 2).

2.5. The main aims of the re-procurement are to reduce the harms caused by drug and alcohol use and support the successful completion of treatment by being more responsive to changing drug trends. The new service will:

- manage a wide range of substances
- increase satellite and outreach working
- increase home treatment
- engage more service users earlier
- increase numbers accessing alcohol treatment
- increase the focus on employability
- reduce hospital admissions.

2.6. Current contracts are due for renewal 31 March 2016 and the opportunity exists to redesign, make efficiencies and improve accessibility based on the evidence shown below.

	<b>Users of Opiates and Crack</b>		<b>Users of Other Drugs</b>		<b>Alcohol Misusers</b>	
	Prevalence Estimate	2013-14 Treatment Population	Prevalence Estimate	2013-14 Treatment Population	Prevalence Estimate	2013-14 Treatment Population
<b>H&amp;F</b>	1548	692 (45%)	2805	150 (5%)	7667	432 (6%)
<b>RBKC</b>	1563	531 (34%)	2032	240 (12%)	6332	454 (7%)
<b>WCC</b>	2255	1178 (52%)	3371	380 (11%)	9966	696 (7%)

We invest significant amounts of the public health grant into both alcohol and drug services. Recent efficiencies to the substance misuse system have resulted in no allocation from the local authorities general funds being given. The whole system is now totally funded through health. The greatest proportion of the current budget is spent on high cost clinical services. The proposed revised model will move the whole system towards a more psychosocial model increasing opportunities for earlier identification, early intervention and more effectively supporting individuals to sustain their recovery. Through this shift in emphasis we are able to achieve significant efficiencies for each borough, approx. 20% of the total allocated to core substance misuse services. In so doing we also expect to achieve better outcomes.

2.7. There are a number of services that will not be included in the procurement exercise as they have been recently commissioned or sit outside core provision:

- in-patient detox
- care management (purchased care packages, safeguarding)
- group work programme across the three boroughs
- primary care support service across the three boroughs
- reducing reoffending service
- pharmacy and GP contracts

<sup>2</sup> National Drug Treatment Monitoring System 2013-14 Treatment Activity. Projecting Adult Needs and Service Information System 2014. Health Profiles Public Health England 2014.

- young people and transitions.

### 3. OPTIONS

#### 2.1 Option 1 – do nothing

This is not recommended as services will not be able to sustain the level of core provision required by our residents

**Option 2a** – procure three integrated core drug and core alcohol services – single borough

*Pros* – providers would focus on one borough, in line with localism

*Cons* – this is the current model and does not meet the identified need, the procurement process will be more complex, limited efficiency savings to be gained, more resource intensive for commissioners and contract management, does not recognise the mobility of service users nor service user choice, does not take account of sustainability

**Option 2b** – procure one integrated core drug and core alcohol service across H&F; RBKC; WCC

*Pros* – one contract to manage, communication may be easier as only dealing with one provider

*Cons* – option would not meet identified need for alcohol users or new drug trends, large complex contract to manage, does not take account of sustainability

**Option 3a** – procure six separate core drug and core alcohol services – single borough

*Pros* – smaller contracts to manage, easier to promote locally, could be more responsive to neighbourhoods

*Cons* – limited efficiencies to be made as there will be increased management costs, six contracts to manage and therefore increased costs to authorities in terms of legal, commissioning and contracting, risk of duplication of services, does not take account of sustainability

**Option 3b** – procure separate core drug and core alcohol services across H&F; RBKC; WCC

*Pros* – efficiencies to be made as two contracts to manage, meets the identified need for alcohol service, new drug trends addressed, performance management more efficient, takes service user and wider partnership feedback into consideration, creates more equitable and sustainable service for our populations, increases choice, clarifies pathways

*Cons* – limited alcohol provider market, one size doesn't fit all therefore the new model must recognise the differences across the three authorities as part of the procurement process.

**Option 4** - procure services with additional neighbouring authorities to the three boroughs

Option 4 cannot be achieved in respect of the boroughs included in the West London Alliance as the majority are currently in the middle of their own procurement of drug and alcohol services. Other central London boroughs are also either out to procurement or have recently commissioned specialist services.

- 2.2. It is recommended that we have approval to proceed to procure core drug and core alcohol services during 2015 and that the board supports Option 3b



to procure a revised service model across the three boroughs. This contracted model will retain sovereignty for each borough although the aim will be to procure two providers to deliver the services across the three boroughs to gain the most efficiency savings. This shared borough model has been successfully implemented for primary care specialist services and the specialist groupwork programme both of which achieved significant efficiencies for each borough and have demonstrated improved quality.

#### 4. WHY RE-PROCURE

- 4.1. The current contracts are due for renewal 31 March 2016. This allows for a three month consultation period and full year procurement period from April 2015.
- 4.2. The current treatment system is not sustainable in its current form. Redesign must take place in order to meet the needs of *all* drug and alcohol users. Drug using trends are changing and this group has been a population that our current service model has failed to engage.
- 4.3. There are identified unmet needs for alcohol users who range from street homeless to residents who work and are drinking at increasing and high risk levels. These individuals typically do not access drug services. Anecdotal feedback supports the perception that there is stigma attached to accessing drug services.
- 4.4. There is an increase in drug and alcohol related deaths. A split of drug and alcohol services will enable more of a focus on early identification and treatment of those most at risk and do not engage in treatment services. Current drug and alcohol services have an ageing population and to meet the needs services must be flexible and target broader cohorts.
- 4.5. Alcohol use increases incidences of heart disease, stroke, depression and anxiety, breast cancer in women, pancreatitis, liver cirrhosis, high blood pressure and harm to unborn babies. Drug use increases incidences of infection from blood borne viruses for injectors, depression, anxiety, personality disorder, liver damage from drug overdose, poor vein health and arthritis, lung damage due to tobacco use, bladder problems from ketamine use, increased risk of sexually transmitted diseases.
- 4.6. Drug and alcohol use does not only effect the individual. Families and the children of drug and alcohol users are also affected. Partners and children of drug and alcohol users may go on to suffer from physical, psychological problems. Parental substance misuse is a factor in 29% of all serious case reviews. Nationally alcohol is a factor in half of violent assaults and 13% of road fatalities. Investing in treatment prevents 4.9 million crimes per year. The Department of Works and Pensions estimates that, 80 per cent of individuals receiving treatment for drug dependency are on benefits.<sup>3</sup> It is also estimated also that approximately 160,000 dependent drinkers in England are in receipt of one or more of the main benefits.<sup>4</sup> DWP estimate that 1 in 15 of their benefit claimants has a drug or substance misuse problem

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<sup>2</sup><http://www.dtors.org.uk/reports/BaselineMain.pdf>

<sup>4</sup> Population estimates of alcohol misusers who access DWP benefits by Gordon Hay and Linda Bauld Department for Work and Pensions

- 4.7. Drug and alcohol use causes significant social and economic problems. Effective prevention, treatment and recovery can substantially reduce the economic and social costs of substance misuse related harm. Therefore drug and alcohol treatment must be effective in supporting individuals through treatment and to sustained recovery. Services must impact on health and mortality rates, improve relationships and communities, reduce drug related crime, and reduce costs on the health and welfare system. Public Health estimates that alcohol related harm costs society 21 billion per year and drug addiction costs society 15.4 billion per year. Investing in drug treatment saves 960 million the public, businesses, criminal justice service and NHS(PHE publications gateway number: 2013-190)

## **5. KEY FEATURES OF THE NEW SERVICE**

- 5.1. The new service will work in partnership to transform public services in order to benefit local residents. See appendix 4 for proposed key performance indicators. A key feature of the new service will be the requirement to work across networks in order to improve joint working and integrate pathways. For example, working with health trainers and community champions to identify drug and alcohol users. Our services will be more accessible and go out into the community to support people in their own homes and local areas.
- 5.2. Drug services - the core interventions will continue: prescribing; psychosocial interventions; education, training and employment support; hepatitis screening and support into blood borne virus (BBV) treatment; peer mentoring. The new service will be responsive to changing trends and have a skilled workforce that will work collaboratively with key stakeholders on a wider range of cross cutting themes.
- 5.3. Alcohol services - the service will continue to provide alcohol services such as hospital liaison nurses, older people and alcohol services, community detoxification, and core alcohol interventions. The service will generate efficiencies in wider health services including through diverting alcohol users from A&E and hospital admission and reducing ambulance call outs.
- 5.4. The proposed service model will respond to the needs of families through early identification and prevention work prior to reaching crisis. Specialists will work alongside family services and lead or contribute to joint needs assessments. The service will maintain a focus on hidden harm and prevention work with provision of bespoke training.
- 5.5. Work with violent perpetrators will be a key priority area within the new service model and will support the three boroughs violence against women and girls priorities. The new model will also work with local criminal justice agencies by sharing intelligence and supporting the case management of offenders on integrated offender management programmes.

## **6. BENEFITS**

- 6.1. Separate core drug and core alcohol services will ensure the needs of specific groups are prioritised. For example, the Community Alcohol Support Service

(CASS) in H&F has shown a recent increase in numbers for high risk cohort of individuals who would not present to integrated models. Feedback from service users has shown that they prefer separate services set up to deal specifically with their needs.

- 6.2. Separate services gives staff the opportunity to increase knowledge and expertise enabling provider organisations to develop a higher calibre of staff.
- 6.3. A more responsive service operating flexibly will enable more clients to engage in treatment and recovery. Staff will be mobile through satellite, outreach and home visiting which supports joint working and will reduce the demand on sites.
- 6.4. A responsive drug or alcohol service will be more accessible to partners and the public with clear pathways to treatment. The service will work jointly across local authority and health departments to support cross cutting themes.
- 6.5. Separate core drug and core alcohol contracts across the three boroughs will streamline the system and support efficient monitoring and performance management. This will result in reducing the number of contracts from eight to two. These contract will be rigorously managed through a set of clearly defined outcome measures and key performance indicators as proposed in Appendix 3.

## **7. RISKS**

- 7.1. Unless we re-procure, essential core services may not be sustainable due to funding restrictions and changing trends resulting in services not being fit for purpose.
- 7.2. Re-procuring services could result in a loss of buildings. There is a mix of provider owned/leased and council managed properties across the substance misuse system. This risk will need to be managed through the procurement process.

## **8. PROCUREMENT PROCESS**

- 8.1. It is proposed that WCC lead on the procurement process on behalf of the other two boroughs in line with current shared services arrangements. WCC as the Lead Borough will enter into a framework with the successful provider and the two other boroughs. Each of the three boroughs will be able to call the contracts off via an access agreement.
- 8.2. The procurement strategy for this process will be presented at Adults Commissioning, Shared Services Board, Public Health Transformation Board and Contracting Board and Contracts Approval Board. An initial procurement timetable is attached in Appendix 4.
- 8.3. Consortia of health and substance misuse independent sector providers will be welcomed as well as tenders from sole providers. If approved the tender will be restricted as there is a limited pool of specialised substance misuse/health providers.

## 9. FINANCE

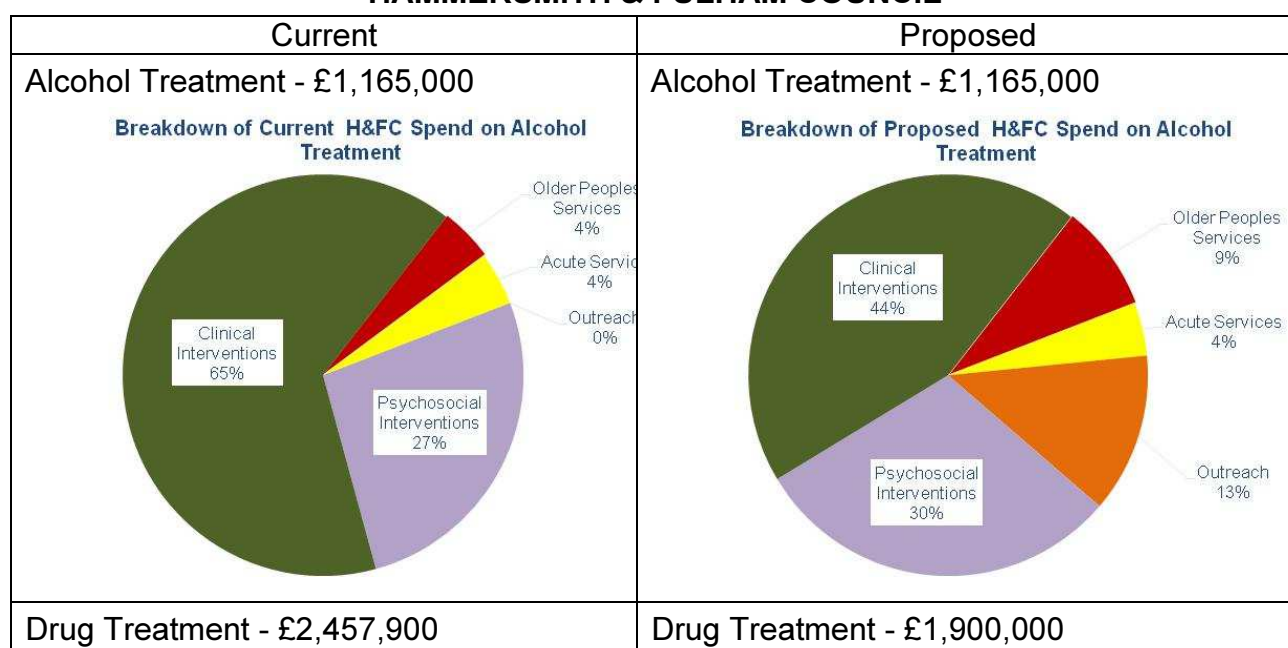
9.1 Public Health England has researched the impact of investing in Drugs and Alcohol and the following identifies the averages across England:

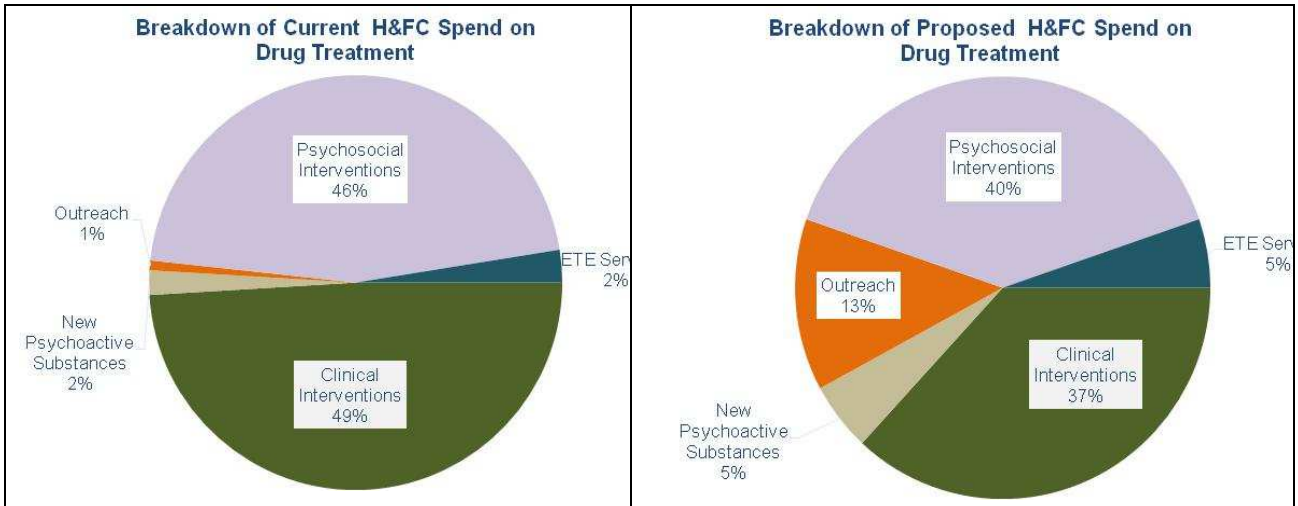
- Every 5,000 patients screened in primary care may prevent 67 A&E admissions and 61 hospital admissions - Costs = £25,000, Saves = £90,000.
- One alcohol liaison nurse can prevent 97 A&E visits and 57 hospital admissions – Costs = £60,000, Saves £90,000.
- Every 100 dependent people in treatment can prevent 18 A&E visits and 22 hospital admissions - Costs = £40,000, saves £60,000.
- Every £1 spent on drug and alcohol treatment saves £2.50 costs to society. The majority of savings made reduce the costs to health care systems. All expenditure on this area of work is funded by health. We intend to negotiate with the NHS to secure a percentage of the savings made to the whole system to be allocated to the three authorities.

9.2 As part of the agreed three year substance misuse business plan 2014-2017 it is our ambition to make efficiencies in the region of £2 million by March 2016 across the whole system, most of which will be generated through this procurement. Additional efficiencies will be considered in response to further needs assessment work.

9.3 The pie charts below show the current core drug and core alcohol annual investment profile and proposed future investment profile.

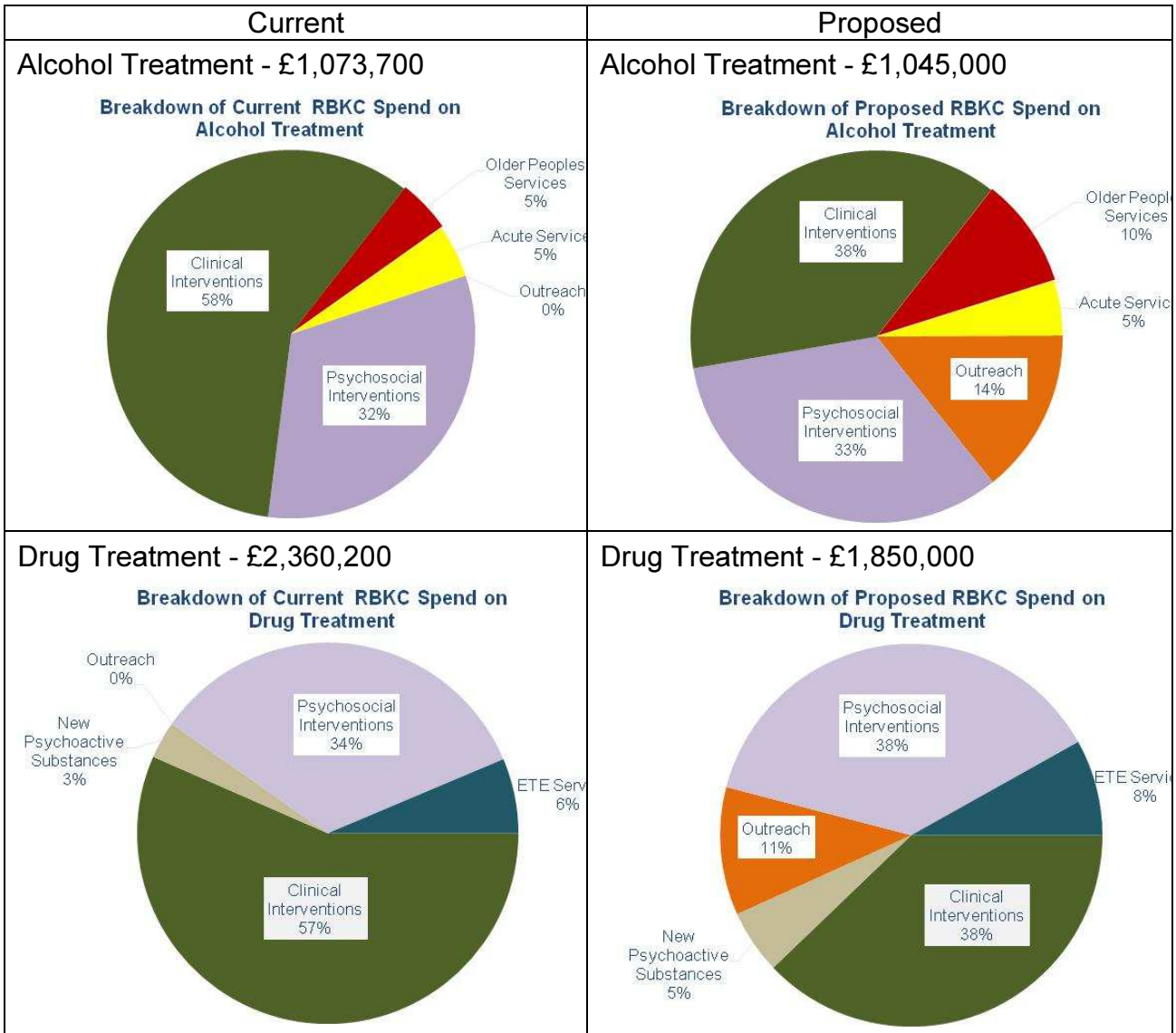
### HAMMERSMITH & FULHAM COUNCIL



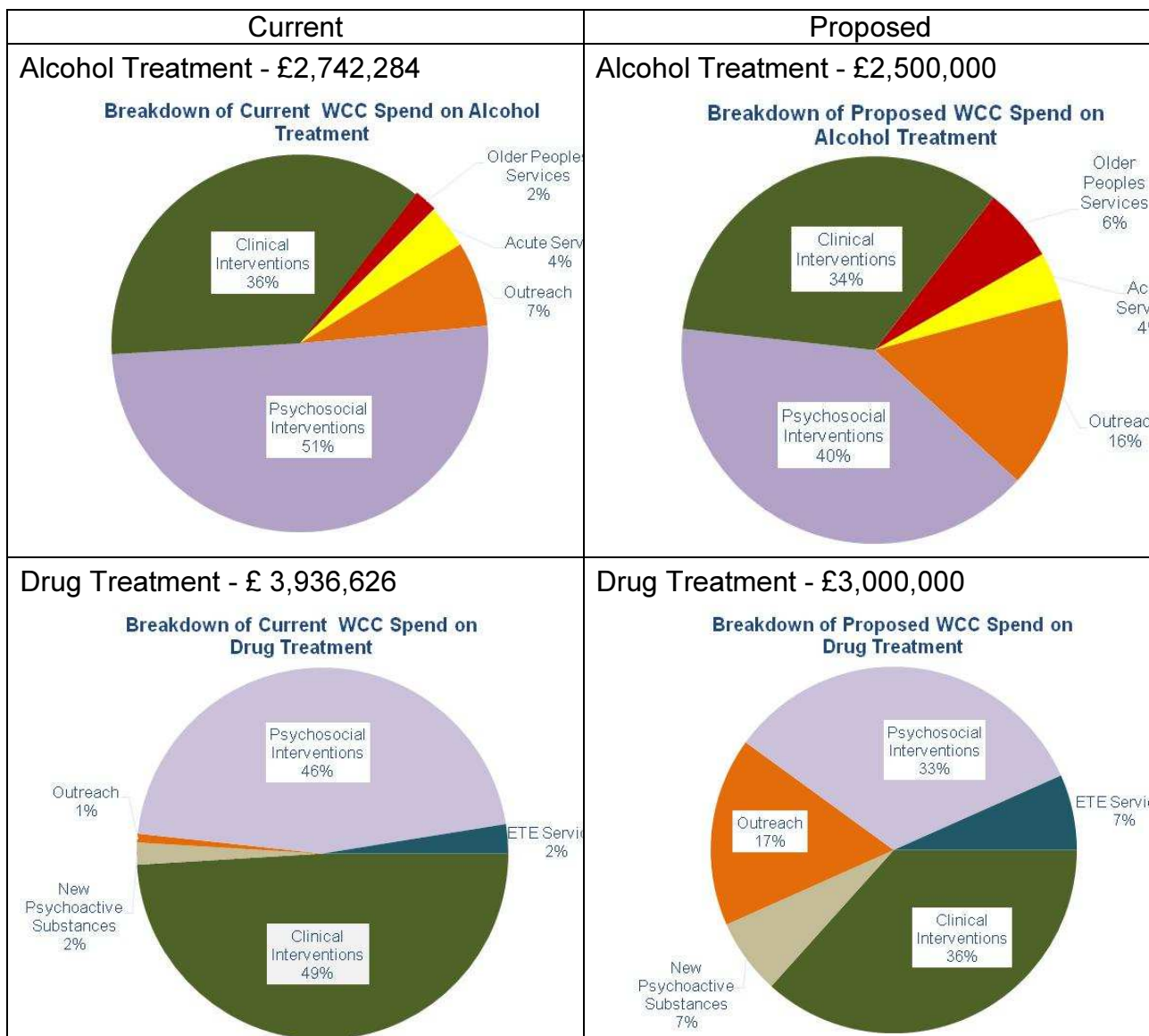


There are no efficiencies being drawn down from the investment in Alcohol services within H&F due to the high levels of need within the borough and 2<sup>nd</sup> highest admission to hospital rates for directly attributable alcohol related disease.

**ROYAL BOROUGH OF KENSINGTON AND CHELSEA**



**CITY OF WESTMINSTER**



## **DRUGS AND ALCOHOL COMMISSIONING 2013 - 2015 BACKGROUND INFORMATION**

### **Vision:**

'To improve the health and wellbeing of drug and alcohol misusers including offenders, their families through ensuring those people in need of services have access to the full range of treatment and recovery opportunities and are protected from the harms caused as a result of alcohol and drug misuse and/or criminality. All of this will be done whilst reducing costs and improving service effectiveness.'

To achieve our vision, we will:

- Continue to commission services to protect our high-quality front line provision, improve effectiveness and reduce costs.
- Jointly commission services and share resources.
- Innovate, and share learning and ideas in relation to best practice.
- Ensure individuals we work with develop and retain a strong sense of personal responsibility for their behaviour.
- Collaborate more effectively with key partners across the statutory and voluntary sector to ensure we are successful.

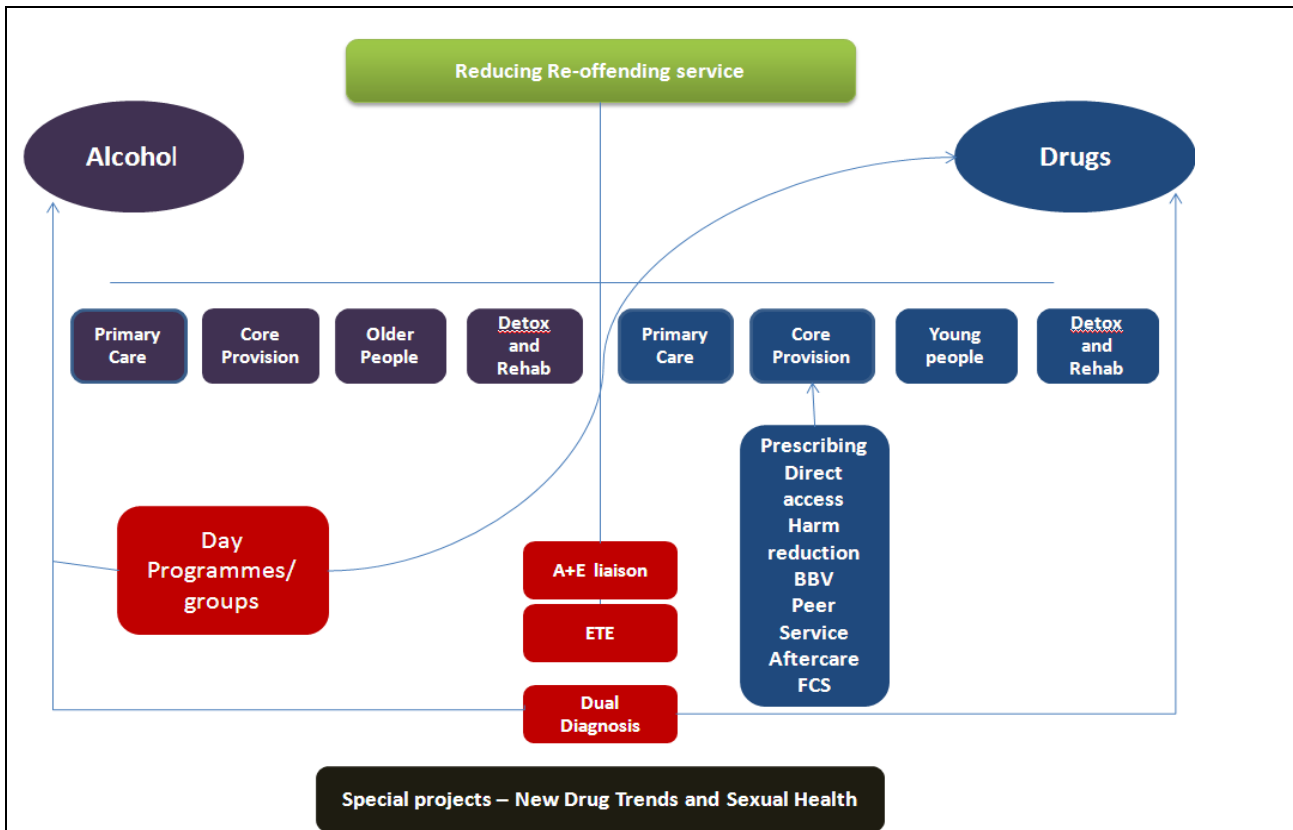
### **Strategic objectives:**

- Commissioning for results - we will regularly review the treatment system and remodel services and interventions to achieve the best possible outcomes for individuals, families and the wider community.
- Improving Access - we will ensure services are widely marketed and responsive and flexible to the assessed needs of service users and are delivered through site based, satellite and outreach provision
- Delivering Recovery - we will fully embed a recovery oriented approach throughout the treatment system from first point of access through to successful completion.
- Reducing Reoffending - we will work jointly with community safety partners to deliver a reducing reoffending model that addresses the needs of short term offenders to reduce the impact of crime and substance misuse on the community and on the offender.
- Responding to New Drug Trends - we will continue to innovate to respond to the changing patterns of substance misuse services.
- YP and Transition- we will improve the interventions available to young people at risk of developing entrenched substance misuse problems and ensure we develop effective prevention, diversion and treatment services to meet their needs jointly with Family and Children's services.
- Resources - ensure resources are deployed effectively and efficiently to achieve value for money, and to reduce costs whilst delivering improved outcomes.

### **Services Map**

While the configuration of services vary across the three boroughs, the treatment interventions available to our residents is comparable and represented in the following diagram.





There are a number of services that are commissioned to deliver the above system. Specific areas of work include:

- Advice, awareness raising, training programmes, sign posting and brief advice
- Specialist direct access services and prescribing services
- Substance misuse detoxification services
- Residential rehabilitation packages of care
- Community based day programmes and structured groupwork
- Specialist prevention diversion and treatment services for young people and those in transition
- Drug and alcohol intervention services across the criminal justice settings
- Primary Care support services, prescribing services and pharmacy schemes
- Dual diagnosis provision
- Needle exchange and blood borne virus treatment and screening.
- Peer led services and mutual aid initiatives
- New psychoactive drugs services (Club Drugs/legal highs)
- Targeted services to the homeless population
- A&E liaison and hospital liaison
- Older persons alcohol services

### Who are they for?

Treatment services are available to residents whose lives are affected by substance misuse with the intensity of support varying in accordance with need. Interventions range from low threshold direct access to more intensive, formal or structured interventions. The investment is targeted at those young people (14 years +) and adults with no upper age limit who have a need for drug or alcohol related specialist interventions. We work with resident populations of the three boroughs and those homeless registered on the National CHAIN data base as the responsibility of the area.

Across the three borough substance misuse in our adult resident population is estimated as:

Estimate	Hammersmith & Fulham	Kensington & Chelsea	Westminster
Dependent Drug Users	4,353	3,595	5,626
Dependent drinkers	7,667	6,332	9,966

Source: Projecting Adult Needs and Service Information System October 2014

The number of adult residents accessing specialist structured treatment interventions in 2013-14 was as followed:

Substance Using Cohort	Hammersmith & Fulham	Kensington & Chelsea	Westminster
Opiate and or crack cocaine	692	531	1,178
Other drug	150	240	380
Primary alcohol	432	454	696

#### Who is the contracted provider or providers?

The commissioning intentions are moving towards a three borough service model with an increasing number of shared services.

#### Borough based specialist treatment services:

- H&F specialist services are provided through CNWL; Blenheim CDP; Foundation 66 with some additional investments being made to housing support and peer led organisations ( the Firm; Outside Edge and Groundswell).
- RBKC specialist services are provided through CNWL; Blenheim CDP , Foundation 66 and adult social care with additional investment in the peer led charity “Build on Belief”
- WCC specialist services are provided through Turning Point (SWDAS) and a consortium between Westminster Drug Project, CNWL and F66 (NWDAS)

#### Three Borough Shared Services are :

- Blenheim CDP Primary Care Support Services
- Turning Point Structured Group Work / Day Programmes
- Turning Point/Catch 22 Reducing Reoffending
- F66 Older People and Alcohol

#### Detoxification Framework Providers are:

- CNWL – Max Glatt Unit (high needs/risk drugs and alcohol)- may close following CNWL consultation and notice period.
- Cranstoun -City Roads (up to medium needs/risk drugs)
- F66 - Long Yard (up to medium needs/risk alcohol)

## Out Of London Detoxification Block Contract

- Action on Addiction - Clouds House (Fellowship based programme)

### Residential Treatment Packages:

- Purchased through individual spot purchasing agreements

### Primary Care Services:

- Shared Care Scheme - contracts with individual GPs
- Pharmacy Scheme - contracts with individual Pharmacies

## Targets and outcomes

Substance Misuse and Offender Health services play a pivotal role in the delivery of the vision and outcomes set out in the Public Health Outcomes Framework.

In addition to the more pertinent indicators, 2.15, 2.16, 2.18, the substance misuse treatment system also contributes to the achievement of a number of additional outcomes in relation to criminal justice, blood borne viruses and preventable illness and falls. (please see table below)

**Objective 1:**  
Improvements against wider factors which affect health and wellbeing and health inequalities

1.7 People in prison who have a mental illness or a significant mental illness  
1.9 Sickness absence rate  
1.10 Killed and seriously injured casualties on England's roads  
1.11 Domestic abuse  
1.12 Violent crime (including sexual violence)  
1.13 Re-offending levels  
1.15 Statutory homelessness

**Objective 2:**  
People are helped to live healthy lifestyles, make healthy choices and reduce health inequalities

2.14 Smoking prevalence – adults (over 18s)  
2.15 Successful completion of drug treatment  
2.16 People entering prison with substance dependence issues who are previously not known to community treatment  
2.18 Alcohol-related admissions to hospital  
2.24 Injuries due to falls in people aged 65 and over

**Objective 3:** The population's health is protected from major incidents and other threats, whilst reducing health inequalities

3.4 People presenting with HIV at a late stage of infection  
3.5 Treatment completion for TB

**Objective 4:**  
Reduced numbers of people living with preventable ill health and people dying prematurely, whilst reducing the gap between communities  
4.6 Under 75 mortality rate from liver disease  
4.13 Health-related quality of life for older people

The local performance management framework, which supports the commissioning of services, is aligned with public health outcomes framework.

**Estimates of Opiate and Crack Cocaine Use:**

2011-12 Estimate		Number of users			
		Opiate &/ or Crack User	Opiate users	Crack users	Injecting
<b>Hammersmith and Fulham</b>	Number	1,390	1,141	997	325
	Rate per 1,000 population	10.09	8.29	7.24	2.36
<b>Kensington and Chelsea</b>	Number	1,065	809	881	205
	Rate per 1,000 population	9.21	6.99	7.61	1.77
<b>Westminster</b>	Number	2,550	2,026	2,007	833
	Rate per 1,000 population	15.57	12.37	12.25	5.09
<b>London</b>	Rate per 1,000 population	9.55	7.63	6.96	1.97
<b>England</b>	Rate per 1,000 population	8.40	7.32	4.76	2.49

Source: Estimates of the Prevalence of Opiate Use and/or Crack Cocaine Use, **2011/12**. Liverpool John Moores University.

**Patterns of Alcohol Consumption (residents 16 years+):**

- Lower Risk drinking - consumption of fewer than 22 units of alcohol per week for males, and fewer than 15 units of alcohol per week for females.
- Increasing Risk drinking - consumption of between 22 and 50 units of alcohol per week for males, and between 15 and 35 units of alcohol per week for females.
- Higher Risk drinking - consuming more than 50 units of alcohol per week for males, and more than 35 units of alcohol per week for females.
- Binge drinking - adults who consume at least twice the daily recommended amount of alcohol in a single drinking session (that is, eight or more units for men and six or more units for women).

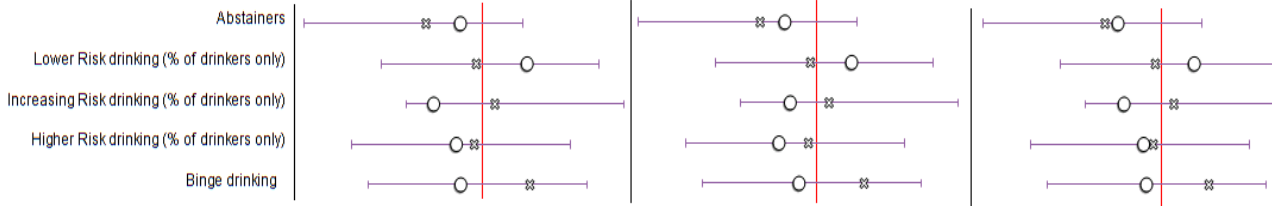
Borough	Abstainers	Lower risk drinking (% of drinkers only)	Increasing risk (% of drinkers only)	High risk drinking (% of drinkers only)
H&F Council	18.75%	71.77%	21.07%	7.16%
RBKC	19.76%	72.08%	20.57%	7.35%
Westminster	21%	72.16%	20.82%	7.02%

**Synthetic Estimate of:**

Hammersmith and Fulham

Kensington and Chelsea

Westminster



Data source: Local

**Performance against National Outcome Measures**

(See prevalence information above for regional and national comparisons)

- Performance against 1.13 Reducing Reoffending**

There will be verified information available at the end of March 2015

- Performance against 2.15 Successful Completion of Drug Treatment**

% of drug users that left drug treatment successfully who do not re-present to treatment within 6 months

Opiate	2012-13	2013-14
<b>H&amp;F</b>	7.21% (47/652)	7.78% (50/643)
<b>RBKC</b>	9.89% (52/526)	9.39% (45/479)
<b>WCC</b>	7.44% (85/1142)	7.89% (88/1115)

Non Opiate	2012-13	2013-14
<b>H&amp;F</b>	29.54% (83/281)	36.07% (101/280)
<b>RBKC</b>	23.9% (103/431)	36.34% (161/443)
<b>WCC</b>	30.34% (169/557)	30.13% (166/551)

Performance against 2.15 Successful Completion of Drug Treatment is a priority for Public Health England with this outcome being attached to a “health premium” in coming years.

- Performance against 2.16 People Entering Prison with Substance Misuse Issues Who were Not Previously Known to Community Services.**

(the proportion of adults starting structured substance misuse treatment in prison who had not received it in the community prior to custody)

The below table is recently released baseline activity for 2013-14 not previously collated.

Borough	Number Previous treated in community	Number Not previously treated in community
<b>H&amp;F</b>	129	135
<b>RBKC</b>	52	67
<b>WCC</b>	122	156

- **Performance against 2.18 Alcohol Related Hospital Admissions**

*The number of admissions involving an alcohol-related primary diagnosis or an alcohol-related external cause per 100,000 population*

<b>Borough</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<b>H&amp;F</b>	615.51	627.98	651.58
<b>RBKC</b>	515.27	427.40	425.11
<b>WCC</b>	581.59	550.87	515.58

### **Issues, gaps and opportunities**

The following priorities were identified from the annual joint needs assessment:

- Ensure the current treatment and recovery system is accessible, responsive and effective and includes action plans based on feedback/ involvement from service users
- Improve the ability of the treatment system to respond to the needs of those who misuse a broader range of substances.
- Revised BBV strategy to be progressed with a best practice model for the identification & treatment of Blood Borne Viruses and other health conditions.
- Maximise recovery opportunities through education, training, employment opportunities and increased peer led initiatives
- Increase opportunities to reduce reoffending and divert substance misusing offenders into treatment through the newly procured joint projects with Community Safety - Starting Over and Minerva Projects.
- Strengthen drug & alcohol treatment pathways from GP surgeries and hospital into treatment services.
- Provide a multi-agency and the three borough responses to young people's and transition groups substance misuse needs.

Additional cross cutting priorities include:

- the need to divert more alcohol misusing residents into treatment particularly from primary care and the local hospital settings.
- Safeguarding is a focus across both Adults and Children due to the high incidents of violence, neglect and exploitation linked to substance misuse.

## **What it costs and what do we get for the money?**

The budget for all substance misuse commissioning was originally allocated to Primary Care Trusts through a ring-fenced grant referred to as the pooled treatment budget (PTB). Locally this budget was transferred to the three local authorities to commission drug treatment services on behalf of health and social care. Following the creation of CCGs and the shift of public health responsibilities to local authorities this PTB and any additional alcohol funding streams formed part of the Public health ring-fenced grant allocation and identified as a ring-fence budget line within the overall Public Health Budget to ensure local authorities continued to invest in drug and alcohol prevention, treatment and recovery services. Locally we managed to negotiate up our substance misuse allocation from Public Health England and made efficiencies to ensure that we no longer needed to draw on any general fund allocations previously awarded. This ring-fence will go in 2016/17.

### **Cost of Providing Services**

The total annual spend by the Substance Misuse and Offender Health Commissioning Team across the three borough is £20.66 million;

- H&F - £5,626,793
- RBKC - £5,725,545
- WCC - £9,325,287

### **Return on Investment**

The provision of substance misuse treatment is cost effective and delivers a range of benefits for the individual and wider society. This has been demonstrated by several national studies. Depending on the source, the return on investment of drug treatment ranges from £2.50 to £13 for every £1 invested. Less detailed analysis is available on the cost benefits of alcohol treatment although most estimates give a £5 return for every £1 spent. A new tool to measure alcohol treatment cost effectiveness is under development.

By using the former National Treatment Agency's value for money tool, the local return from investment on drug treatment is as follows

H&F £1 investment = £6.07 return

RBKC £1 investment = £4.78 return

WCC £1 investment = £3.57 return

The above outcome is based on 2012 figures prior to a full data cleanse in H&F which inflated the return on investment. WCC are the lowest due to a combination of high levels of complex cases remaining in the system for significantly longer than average and having poorer outcomes due to the large street homeless cohort. All three boroughs exceed the national average for return significantly.

### **Prevention**

We have less than 4% allocated to targeted prevention in the budget overall although in our young people provision there is a greater emphasis on prevention and diversion with little on structured treatment.

We invest in awareness raising and prevention campaigns and are in the process of reconfiguring resources to address the need for earlier intervention particularly in relation to families impacted by substance misuse.

### **Joint Working**

We commission jointly services with ASC, FCS, Housing, Community Safety, Youth offending service and health in addition to the specialist drug and alcohol services. The majority of expenditure is targeted at diversion, treatment and sustaining recovery.

The investment also buys excellent internal and external collaborative partnership arrangements, commissioning expertise and specialist knowledge, informed needs assessment, a whole system approach, performance and outcome monitoring.

### **Service User Recovery Journey**

C. Is a woman in her thirties with a pattern of drug and alcohol problem use since her teens

C's addiction to alcohol and cocaine was ruining her life and nearly led to early death. Unable to cope C took an overdose and was hospitalised. She survived but the experience had a profound impact. C knew it was time to make a change and sought help from Drug and Alcohol treatment Services after meeting with the specialist hospital liaison nurse. The nurse explained the help she could receive from treatment services and identified with C. what she needed through an initial assessment. A referral was made to the local service.

C accessed the core treatment services and undertook a community programme from detoxification through to abstinence. During her first year of being drug and alcohol free C was able to concentrate on making healthier choices leading to her building the confidence to sustain the changes she had made. C was encouraged to apply to become a peer mentor and she felt that it could offer her an opportunity to continue her personal development and help rebuild her life: "I knew I wanted to go into a helping role. I have lots of experience in the matter and thought why not?" C was accepted onto the programme and over the six week course: "I learnt about boundaries, that everyone's recovery is different, that it's OK not to be OK, It's OK to ask questions, and it's OK not to know. You're dealing with peoples' lives – if I don't know something I'm going to find out".

C now had developed a personal and professional skill set to support others in their recovery journey. C successfully completed the programme and achieved an OCN Level 2 Award in Peer mentoring.

Since completing the peer mentor programme, C has undertaken a Level 2 Counselling Skills course and is due to start a Level 3 Health and Social Care course. Her life is now unrecognisable from what it was before becoming engaged with treatment services. C has now gained paid employment through the traineeship 'Giving Something Back' peer advocacy scheme. C has gone from strength to strength and is positive about what the future now holds for her.





Public Health  
England

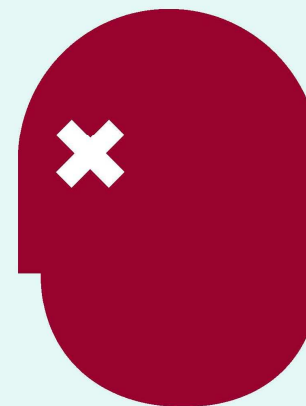
Alcohol and drugs  
prevention, treatment  
and recovery:  
**why invest?**

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Public Health  
England

Alcohol problems are widespread

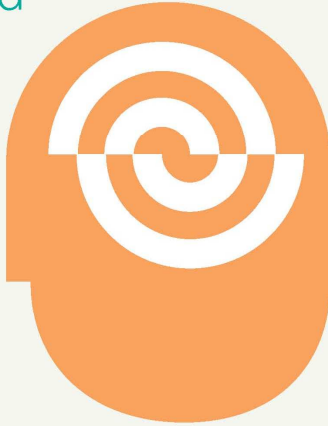


**9 million** adults drink at levels that increase the risk of harm to their health

**1.6 million** adults show some signs of alcohol dependence

Alcohol is the third biggest risk factor for illness and death

## Drug use is widespread but addiction is concentrated



**2.7 million** adults used an illegal drug in the past year

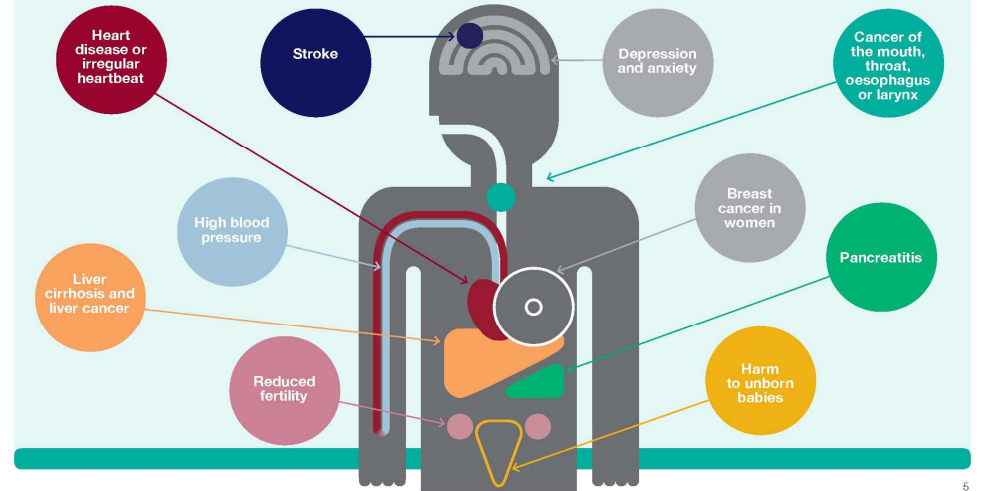
**294,000** heroin and crack users in England

**40%** of prisoners have used heroin

**1,200,000** affected by drug addiction in their families – mostly in poor communities

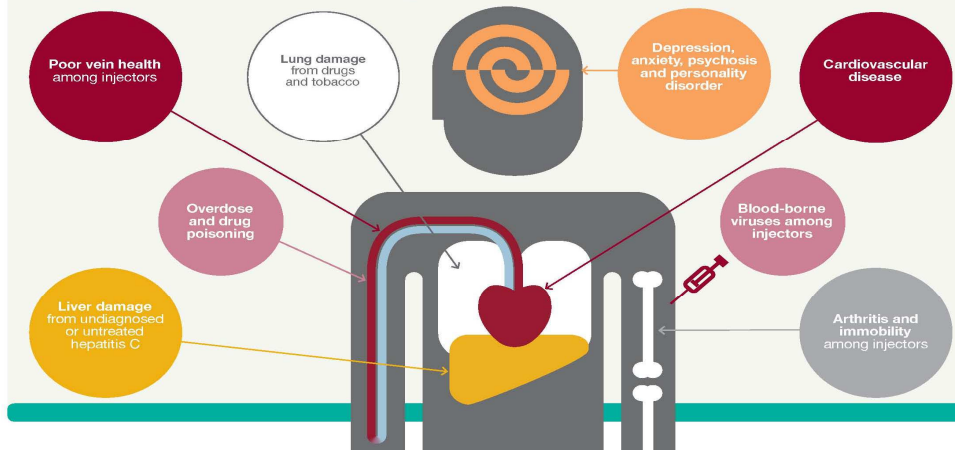
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## Alcohol misuse damages health



5

## Drug misuse damages health



6

## Alcohol and drug deaths

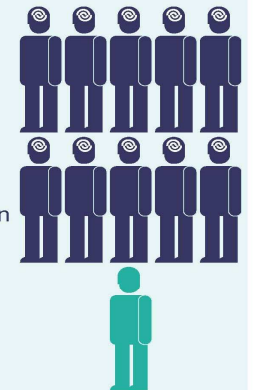
Alcohol misuse leads to many deaths

**21,485** people died from alcohol-related causes in 2012



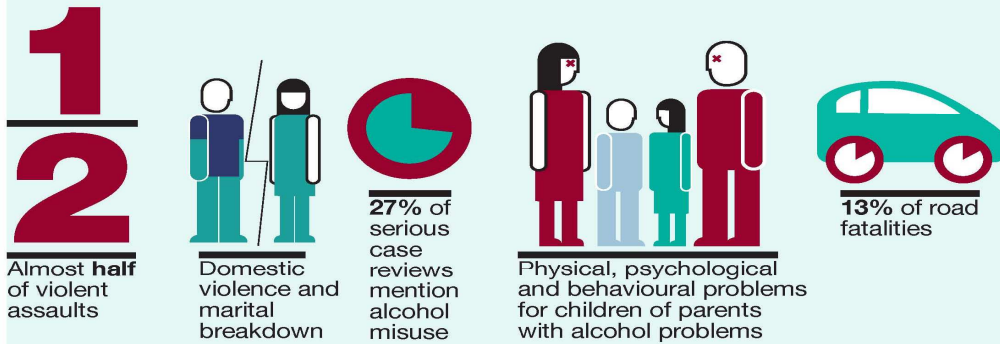
Deaths among heroin users are **10 times** the death rate in the general population

Deaths involving new drugs and some prescription medicines are rising



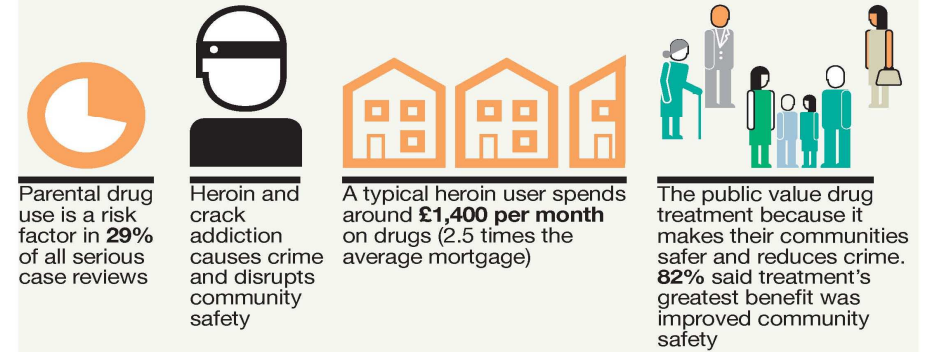
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## Alcohol misuse harms families and communities



9

## Drug misuse harms families and communities



10

## The annual cost of alcohol-related harm

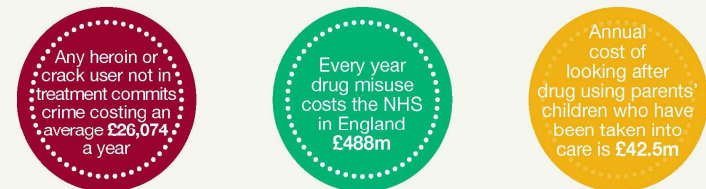


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## The annual cost of drug addiction

Every year it costs society

**£15.4bn**



13

## Alcohol – what needs to be done

1 2 3 4

1 Improve awareness of alcohol harm among young people and delay the age of first use

2 For people who drink, make lower risk drinking the norm and an easy choice to make

3 Target those who are most at risk

4 Respond to and reduce the harm experienced by those who have already developed problems

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## Drugs – what needs to be done

1 2 3 4

1 Prevention measures to build resilience among young people and to promote drug-free environments

2 Develop effective responses to the harm of new drugs, and help people who are addicted to medicines

3 Respond to the growing number of older drug users, many of whom have serious addiction and health problems

4 A package of support (treatment, housing, employment, positive social networks) to help people recover and rebuild families and communities

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## Population-wide prevention



18

## Targeted prevention – alcohol



19



## Targeted prevention and harm reduction – drugs

Advice, testing, vaccination and treatment for blood-borne viruses

Needle and syringe programmes to prevent infection and spread of blood-borne viruses

Prevent avoidable overdose deaths

Work with local health partners to prevent and treat addiction to medicines

Prevention programmes aimed at young people to reduce drug harms

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## Specialist treatment (alcohol and drugs)



Specialist treatment should be accessible, matched to local need and NICE-compliant

All patients should have a mutually agreed and regularly reviewed care plan, setting out their treatment goals

All treatment should include support for behaviour change

It may also include appropriate prescribed medicines

Residential and community rehabilitation should be available for those who need it



21

## Support for sustained recovery

Everyone should have access to support that promotes and sustains their recovery

Help people access mutual aid groups (e.g. AA, NA, SMART Recovery) and other positive social networks

People in recovery need access to stable accommodation

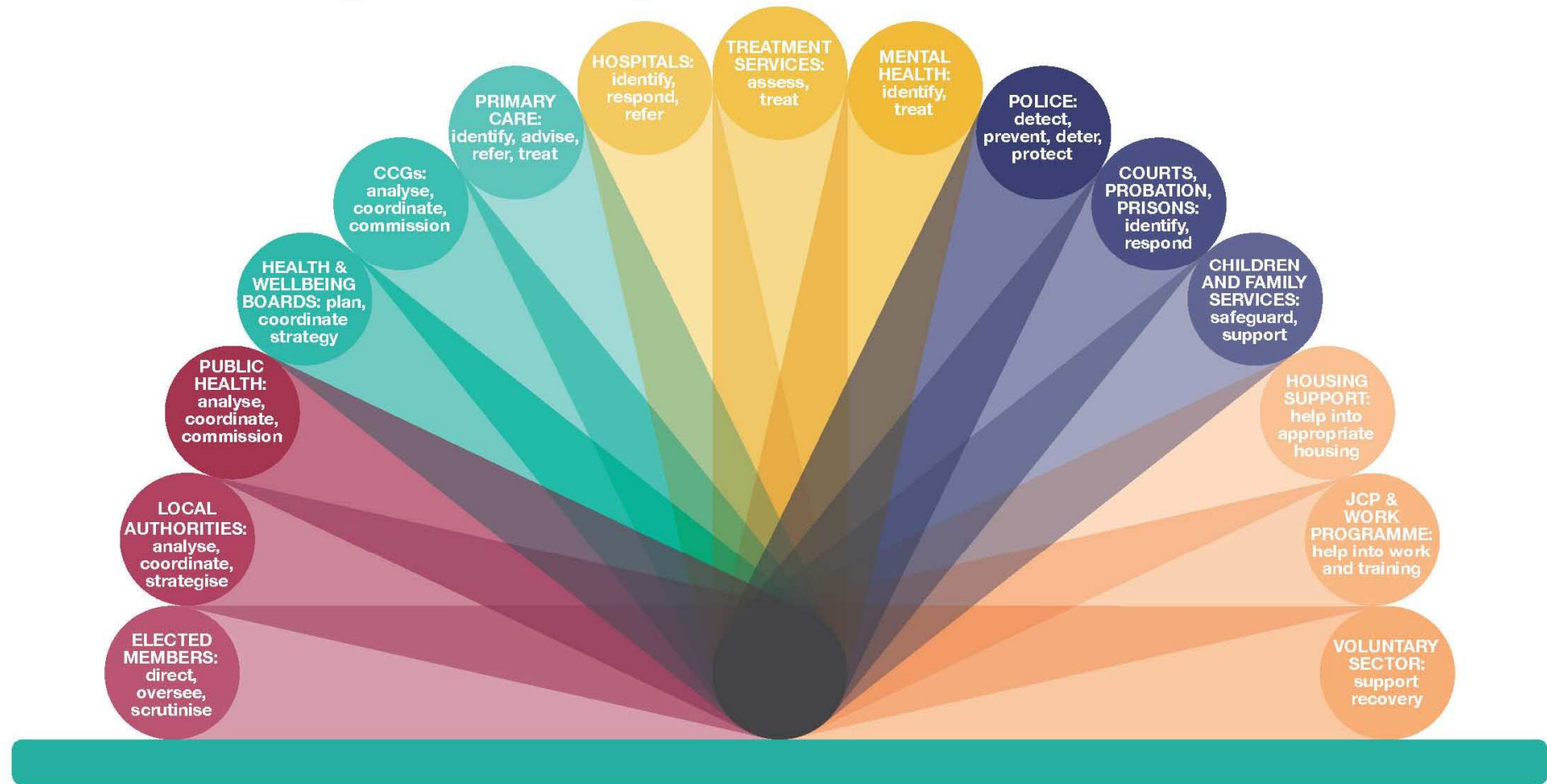
They should be supported into education, training or employment

Doing all of this will enable individuals to reach their full potential, will lead to better outcomes and save money

22



# Partnership: the key to success



## Intervening early works and saves money



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## Investing in alcohol interventions saves money

Every 5,000 patients screened in primary care may prevent <b>67</b> A&E visits and <b>61</b> hospital admissions	One alcohol liaison nurse can prevent <b>97</b> A&E visits and <b>57</b> hospital admissions	Every <b>100</b> alcohol-dependent people treated can prevent <b>18</b> A&E visits and <b>22</b> hospital admissions
<b>Costs £25,000</b> <b>Saves £90,000</b>	<b>Costs £60,000</b> <b>Saves £90,000</b>	<b>Costs £40,000</b> <b>Saves £60,000</b>



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## Investing in drug treatment cuts crime and saves money

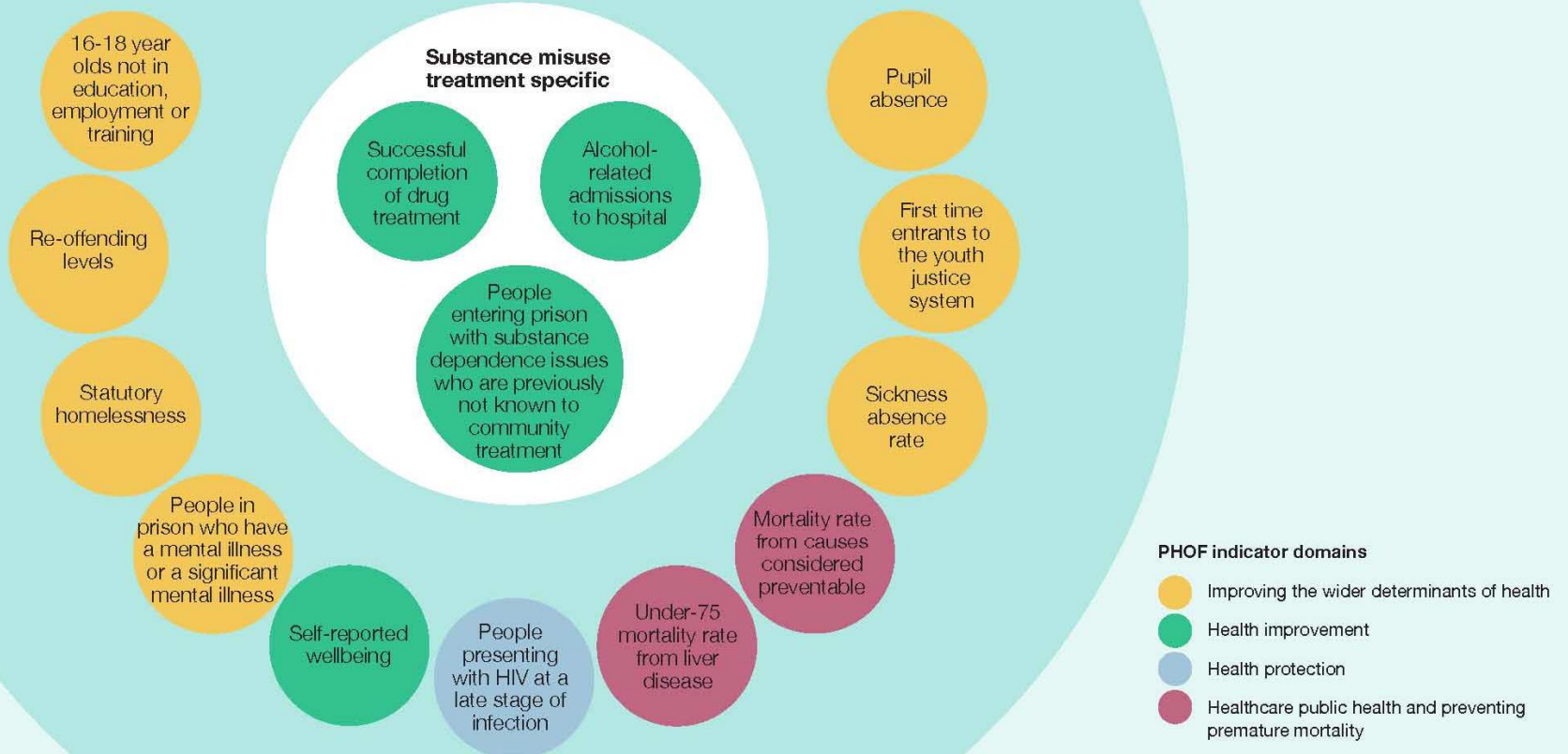


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# Drug and alcohol interventions lead to better public health outcomes





(APPENDIX 3)

**TREATMENT SYSTEM OUTCOMES**

The table below contains the first draft of the expected outcomes of the recommissioned treatment system. The targets are for all three boroughs, unless otherwise indicated. These are partnership outcomes and a number of other local performance indicators will underpin the agency's performance management framework. This will include minimum standards around waiting times, compliance with audit criteria, reduction in use among those actively engaged in treatment and post treatment outcomes. A flexible case management system, which allows locally tailored reporting, will be a core component to the service requirements.

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Outcomes delivered by the New Treatment System	2013-14 Baseline	Y1	Y2	Y3	Source	Rationale
Percentage of the estimated number of problematic drinkers accessing specialist treatment interventions.	5.6% H&F 7.1% RBKC 7% WCC	8%	11%	14%	NDTMS	NICE recommends capacity for at least one in seven of the estimated dependent drinking population to access treatment <sup>5</sup> .
Maintain the proportion of the estimated number of opiate and crack cocaine misusers engaged in treatment	49.8% H&F 49.9% RBKC 46.2% WCC	50%	50%	50%	NDTMS	The opiate and crack cocaine misusing treatment proportion is comparatively high across the three boroughs.
Increase the proportion of non-opiate misusers accessing treatment.	150 H&F 240 RBKC 380 WCC	5% on 2013-14 baseline	10% on 2013-14 baseline	15% on 2013-14 baseline	NDTMS	The treatment system needs to be more accessible to users of all drugs. In particularly psychoactive substances.
Percentage of the opiate misusing treatment population successfully completing and not re-presenting within 6 months (PHO 2.15i)	7.8% H&F 9.4% RBKC 7.9% WCC	9.5% (WCC 9%)	10% (WCC 9.5%)	11% (WCC 10%)	NDTMS	2013-14 Top quartile range for Local Authorities. WCC has a more complex opiate treatment population so targets need to be different for this local authority.
Percentage of the non-opiate drug misusing treatment population successfully completing treatment and not re-presenting within 6 months (PHO 2.15ii)	36.1% H&F 36.3% RBKC 30.1% WCC	37%	38.5%	40%	NDTMS	2013-14 Top quartile range for Local Authorities.
Percentage of the alcohol misusing treatment population successfully completing treatment	42% H&F 34.9% RBKC 31.7% WCC	45% (WCC 35%)	48% (WCC 40%)	50% (WCC 45%)	NDTMS	Top quartile performance is 39.53% in Quarter 2 of 2014-15.

<sup>5</sup> Alcohol dependence and harmful alcohol use quality standard. August 2011. NICE quality standard 11

Outcomes delivered by the New Treatment System		2013-14 Baseline	Y1	Y2	Y3	Source	Rationale
Reduction, on 2013-14 baseline, in the number of alcohol related hospital admissions (PHO 2.18)		(Provisional) 927.30 H&F 595.54 RBKC 980.13 WC	H&F 0% RBKC 0% WCC 1%	H&F 3% RBKC 0% WCC 2%	H&F 5% RBKC 0% WCC 3%	North West Public Health Observatory	Between 2012-13 and 2013-14 admissions increased by 4.77% in H&F. Therefore a 0% increase would represent a challenging target. RBKC has the 4th lowest rate of admissions in 2013-14 so keeping these low will be challenging.
Proportion of the treatment population, deemed eligible, who have been tested for Hepatitis C.		69% H&F 89% RBKC 76% WCC	100%	100%	100%	NDTMS	
Reduction in the proportion of the drug using treatment population, involved in criminal activity, at the 6 month treatment review.		Baseline to be established in 2014-15	50%	50%	50%	TOPs	
Improvement in the number of current and former service users, engaging in paid employment		Baseline to be established in 2014-15	To be confirmed	To be confirmed	To be confirmed	Local data	
Percentage of the surveyed treatment population who agree that:	Their drug/ alcohol use has decreased	80% H&F 85% RBKC 83% WCC	85%	85%	85%	Annual Survey (local data)	
	The service meets their needs	91% H&F 92% RBKC 81% WCC	95%	95%	95%		
	They are satisfied with the service they receive	90% H&F 97% RBKC 88% WCC	95%	95%	95%		

**Source:**


NDTMS - National Drug Treatment Monitoring System - Reporting system for all drug and alcohol structured treatment activity.

TOPs - Treatment Outcomes Profiles - Part of the NDTMS which looks at self-reported outcomes throughout the clients treatment journey.

(APPENDIX 4 - PROCUREMENT TIMETABLE)

Meeting Title	Date of Meeting	Report	Report Submission Date	Final Report to be submitted to	Notes
Coco	03-Nov-14	Approval to proceed	29-Nov-14		Agreed move to next stage
Cabinet Members	N/A	Approval to proceed	November/ December		Report to individual cabinet member briefings agreed to proceed
Shared Services Management Board	26-Nov-14	Approval to proceed	10-Nov-14		Wanted further information for next board
PH Transformation Board	10-Dec 14	Approval to proceed	8-Dec 14		Further comments provided
Shared Services Management Board	07-01-15	Approval to proceed	30-Dec-14		Revised report required additional information on why invest
Legal and finance		Approval to proceed	January	Rhian Davies WCC + Kay RBKC H&F Rachel Wigley Finance	
H&F Officer Briefing Board	12-Feb-15	Approval to proceed	02-Feb-15		
WCC Cabinet	23-Feb-15	Approval to proceed	12-Feb-15		
RBKC Cabinet digest	13-Feb-15	Approval to proceed	11 -Feb -15		
H&F Cabinet	02-Mar-15	Approval to proceed	02-Feb-15		
Coco		Procurement Strategy			
Legal and finance		Procurement Strategy			
PH Transformation Board		Procurement Strategy			
Shared Services Management Board		Procurement Strategy			
Procurement Contracts Approval Board (CAB)		Procurement Strategy			

Meeting Title	Date of Meeting	Report	Report Submission Date	Final Report to be submitted to	Notes
PH Cabinet Members Steering Group		Procurement Strategy			
CoCo		Award report			
Legal and finance		Award report			
Procurement Contracts Approval Board (CAB)		Award Report			
PH Transformation Board		Award Report			
Shared Services Management Board		Award Report			
H&F Officer Briefing Board		Award Report			
PH Cabinet Members Steering group or individual Members briefings		Award Report			
WCC Cabinet		Award report			
RBKC Cabinet and Leaders Group		Award report			
H&F Cabinet		Award report			

	<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>CABINET</b></p> <p align="center"><b>2 MARCH 2015</b></p>
<p><b>REVISED ENFORCEMENT POLICY FOR THE ENVIRONMENTAL HEALTH SERVICE GROUP</b></p>	
<p><b>Report of the Cabinet Member for Environment, Transport and Residents Services : Councillor Wesley Harcourt</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For Decision</b></p> <p><b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Executive Director: Nigel Pallace</b></p>	
<p><b>Report Author:</b> Valerie Simpson, Bi-borough Head of Environmental Health (Licensing and Trading Standards)</p>	<p><b>Contact Details:</b> Tel: 020 8753 3905 E-mail: <a href="mailto:valerie.simpson@lbhf.gov.uk">valerie.simpson@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1. On 6 April 2014 the [Regulators' Code](#) (the 'Code') came into effect. Officers within the Environmental Health Service Group, as regulators, have a statutory duty to have regard to the Code.
- 1.2. The Code requires that Enforcement Policies are updated to reflect the new requirements of the Code.
- 1.3. The Revised Enforcement Policy for the Environmental Health Service Group, attached as Appendix 1, has been approved by the Cabinet Member and now needs to be adopted by the Council.

## **2. RECOMMENDATIONS**

- 2.1. That the revised Enforcement Policy, attached as Appendix 1 to this report, be adopted by the Council.
- 2.2. That any future minor amendments and updates, following annual reviews, be approved by the Cabinet Member.

## **3. REASONS FOR DECISION**

- 3.1. To ensure that the Council's enforcement policy complies with the requirements in the Regulators' Code.
- 3.2. The original Enforcement Policy was written and approved in February 2002 and updated in October 2006, for what was the Public Protection and Safety Division (now called the Environmental Health Service Group).
- 3.3. In March 2010 the current Enforcement Policy was approved, as a Key Decision.
- 3.4. The current Enforcement Policy needs to be amended to reflect organisational and legislative changes and to ensure compliance with the Regulators' Code.

## **4. INTRODUCTION AND BACKGROUND**

- 4.1. Local Authorities are required, by section 24(2) of the Legislative and Regulatory Reform Act 2006, to have regard to The Regulators' Code, issued on 6 April 2014 by the Better Regulation Delivery Office (BRDO).
- 4.2. The Council is responsible for enforcing a wide variety of legislation and consequently delegates powers to individual officers to take enforcement action where necessary. The decision to take (or not to take) enforcement action is a serious one that may have implications for all involved and it is important that we have a policy in place that ensures, amongst other things, fairness and consistency.
- 4.3. The Environmental Health Service Group deals with a wide range of enforcement activities covering in the region of 150 primary Acts of Parliament together with a number of Regulations and Orders.
- 4.4. The Environmental Health Service Group includes several different regulatory enforcement functions relating to Licensing, Food Safety, Food Standards, Health and Safety at Work, Trading Standards, Noise and Nuisance, Environmental Quality, Private Sector Housing, Pest Control, animal health, feeding stuffs and public safety at events and football stadia.

- 4.5. The legislation enforced by officers across these services, seeks to protect residents, businesses and consumers, as well as the environment. Investigations under these Acts can result in both informal and formal actions being taken to ensure compliance with the law.
- 4.6. Enforcement in the context of this policy includes the use of a range of activities to ensure compliance with legislation such as:
- The inspection of high risk business premises;
  - Investigating complaints and enquiries from members of the public about businesses and individuals;
  - Providing advice about how to comply with the law; or
  - Issuing fixed penalty or statutory notices and taking prosecution action.
- 4.7. The Policy recognises that most businesses and individuals want to comply with the law. Help and support will be provided to enable them to meet their legal obligations without unnecessary expenses, while firm action will be taken against those who flout the law or act irresponsibly.
- 4.8. The proposed policy seeks to assist officers in the decision making process, to ensure a consistent approach when using the range of enforcement tools available to them.
- 4.9. In revising this policy we have considered how best we can:
- Understand and minimise negative economic impacts of our activities;
  - Minimise the costs of compliance for those we regulate;
  - Improve confidence in compliance for those we regulate; and
  - Encourage and promote compliance.
- 4.10. The intention of the policy is to ensure that any enforcement action is compliant with the relevant legislation, code of practices and government guidance. Also it must be transparent and accountable; proportionate; targeted; consistent in approach; and appropriate.
- 4.11. In updating this Enforcement Policy, particular regard has been given to the provisions of the Regulators' Code and the provisions outlined in the Legislative and Regulatory Reform Act 2006 and the Regulatory and Enforcement Sanctions Act 2008.
- 4.12. This revised policy document, if adopted, will supersede any previous versions of our enforcement policy.

## **5. PROPOSAL AND ISSUES**

- 5.1. The proposed policy will take into account the following factors to achieve compliance:
- The business' or person's ability to comply with the law.

- The willingness of the person/business to comply with the law.
- The level of complaints received relating to the person or business in the past.

*This list is not exhaustive and will depend on the facts of each case.*

5.2. The decision to use enforcement action will be taken in the context of this policy and any other relevant policies of the Council, but also in the context of the particular case under consideration. Factors taken into consideration will include but will not be limited to:

- The risk that the breach poses to the health and safety or economic welfare;
- Whether the offence involves a failure to carry out the requirements of a statutory notice or order;
- The degree of pre-meditation of the offender;
- Where there is a previous history of warning or cautions for similar offences;
- Incidents such as the obstruction of an officer.

*This list is not exhaustive and will depend on the facts of each case.*

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

6.1. The best option is to adopt this policy based on the reasons set out in this report, particularly in sections one and three above.

6.2. The risk of not adopting the policy is that the council will be vulnerable to legal challenges which could possibly result in financial penalties.

6.3. The adoption of this policy will improve the transparency of any enforcement actions taken by the service, and it will be compliant with the Code.

6.4. The alternative option is to do nothing and keep the current out date policies, which would be open to challenge from the Better Regulation Delivery Office (BRDO) and potential defendants.

6.5. This latter approach is not recommended as the current policy is not fully compliant with the legal requirements and recommendations set out in the Regulators' Code.

## **7. CONSULTATION**

7.1. All teams within the Environmental Health Service Group have been consulted about the policy, any comments or suggestions have been incorporated into the policy, where appropriate.



- 7.2. Business engagement, consultation and feedback is actively encouraged by the Regulators' Code. Work is ongoing to set up or work with an existing business focus group to hear the views from local businesses about our approach to enforcement.
- 7.3. The Council is committed to ongoing consultation with residents in setting its policy priorities and these will be reflected in its overall enforcement approach.
- 7.4. Any adopted Policy will be published on the internet and distributed on request.

## **8. EQUALITY IMPLICATIONS**

- 8.1. The Council, when taking decisions in relation to any of its functions, must comply with its public sector equality duty as set out in s149 of the Equality Act 2010 (the Act). A screening for the equalities impact assessment has been carried out on the effect of the policy. The policy has low relevance in relation to its impact on the areas under the statutory duties contained in the equalities impact assessment, but contributes towards the corporate priorities of the council, open and transparent decision making.

## **9. LEGAL IMPLICATIONS**

- 9.1. By virtue of the Regulatory Enforcement and Sanctions Act 2008, Legislative and Regulatory Reform Act 2006, and the Legislative and Regulatory Reform (Regulatory Functions) Order 2007 (as amended), the Regulators Code was issued under parliamentary approval. As specified, regulators must have regard to the code when determining policies, setting standards or giving guidance in relation to their duties.
- 9.2. Implications verified by: Tasnim Shawkat, Bi-borough Director of Law, 020 8753 2700.

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

- 10.1. There are no direct financial implications associated with this report. However any financial impact arising as a result of this policy will be managed as part of the budget monitoring process.
- 10.2. Implications verified by: Mark Jones, Director for Finance and Resources – TTS/ELRS, 020 8753 6700.

## 11. RISK MANAGEMENT

- 11.1. The Failure to meet new and existing statutory requirements is specifically addressed in the Environmental Health Service Group's risk register. Controls in place to mitigate this risk include training, internal auditing, periodic updates of the scheme of delegation and the business planning process.

## 12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1. Not applicable in this case.

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

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

#### LIST OF APPENDICES:

*Appendix 1:* Enforcement Policy for the Environmental Health Service Group

**DRAFT**

# **Transport and Technical Services**

## **Environmental Health Service Group**

### **Enforcement Policy**

**Approved by: Cabinet Member for Environment, Transport & Residents Services**  
**Next Review and Update: October 2015**

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## PREFACE

The Environmental Health Service Group is responsible for several different enforcement functions namely trading standards, food safety, food standards, health and safety at work, private sector housing, noise and nuisance, environmental quality, licensing, pest control, animal health and public safety at events and football stadia.

Each area of work uses different legislation to ensure compliance and each has its own extensive body of regulations, codes of practice and guidance.

This policy details our approach to the use of our enforcement powers, whether that is criminal prosecution at one end of the spectrum or informal warnings and advice at the other.

The Council is committed to ongoing consultation with residents in setting its policy priorities and these will be reflected in its overall enforcement approach.

The policy cannot be absolutely prescriptive because the circumstances of each individual case and the evidence available are likely to vary. However, this policy should leave most readers in little doubt as to what they can expect by way of enforcement.

Particular regard has also been given to the provisions of the Regulators' Code and the provisions outlined in the Legislative and Regulatory Reform Act 2006 and the Regulatory and Enforcement Sanctions Act 2008.

This revised policy document supersedes any previous versions of our enforcement policy. In revising this policy we have considered how best we can:

- Understand and minimise negative economic impacts of our activities;
- Minimise the costs of compliance for those we regulate;
- Improve confidence in compliance for those we regulate; and
- Encourage and promote compliance.

## 1.0 INTRODUCTION

1.1 This policy seeks to ensure that the application of any enforcement is:

- transparent and accountable;
- proportionate;
- targeted;
- consistent in approach; and
- appropriate.

1.2 Past experience in the enforcement of statute and regulations shows that, in most cases, businesses and individuals comply with the law. Any failure to comply with legislative requirements often stems from ignorance, carelessness, lack of training, lack of effective management control and sometimes, from wilfulness or malice.

1.3 This policy must therefore guide all officers who are involved in taking enforcement action, investigating cases, serving notices and recommending or deciding upon the commencement of legal proceedings, when regulating others.

1.4 'Enforcement' includes any action taken by officers aimed at ensuring that individuals or businesses, including Local Authority managed premises, comply with the law.

1.5 Whilst the general principles outlined below will apply in all cases it must be recognised that each individual case will vary and each must be considered on its own merits before a decision is reached. In certain instances for example, we may conclude that a provision in the Regulators' code is either not relevant or is outweighed by another provision. We will ensure that any decision to depart from the Code or any other of the general principles will be properly reasoned, based on material evidence and documented.

## 2.0 GENERAL PRINCIPLES OF ENFORCEMENT AND STATEMENT OF INTENT

**We will carry out our activities in a way that supports those that we regulate to comply and grow**

2.1 The Environmental Health Service Group will enforce against, or prosecute those who neglect, or wilfully fail, to comply with their legal obligations, where that failure constitutes a risk to the public, or where action is required to minimise the risk.

2.2 Officers will seek to adopt efficient and effective approaches to regulatory inspection and enforcement, which improve regulatory outcomes without imposing unnecessary burdens.

2.3 The level of enforcement will be proportional to any alleged offence committed, consistent in application, (including consistency with other local authorities or enforcement agencies) transparent in its use and appropriate to the circumstances of the particular case in question.

- 2.4** Depending on the seriousness of a situation, the preference will be to enforce with moderation in the first instance, progressing through a graduated response to a tougher stance if offences are repeated. A tougher stance may be taken for first offences that have resulted in personal injury/harm or to protect the vulnerable e.g. sale of alcohol to an underage child.

**We will provide simple and straightforward ways to engage with those we regulate and to hear their views**

- 2.5** Where enforcement is necessary because of ignorance of the law (which is not of course a defence against criminal proceedings) rather than wilfulness, officers will give advice and attempt to facilitate the training of those involved, in addition to taking enforcement action.
- 2.6** We believe that prevention is better than cure and therefore our role involves actively working with businesses and individuals to advise on, and assist with compliance. We will make clear not only what they have to do but, where relevant, what they don't. In practice, this means distinguishing between statutory requirements and advice or guidance about what is desirable but not compulsory, thereby minimising the cost of compliance by requiring proportionate action.
- 2.7** We will target our resources where they will have the greatest effect. We will carry out inspections only where there is a reason for doing so, for example, as a response to intelligence about particular premises or a particular issue/problem or as part of our risk assessment process. Greatest effort will be focussed where failure to comply would pose a serious risk and there is a high likelihood of non-compliance.
- 2.8** We will apply a light touch approach to those businesses who comply with regulatory requirements and those who work with us to achieve compliance. However we will not hesitate to use the full range of enforcement tools at our disposal against those businesses or individuals whose activities are likely to cause material loss or harm to others, or endanger the health, safety and wellbeing of people or our neighbourhood.
- 2.9** Enforcement decisions will be made in a fair, independent and objective way and will not be influenced by issues such as ethnicity or national origin, gender, religious beliefs, disability, political views or the sexual orientation of the suspect, victim, witness or offender.

## **3.0 COMPLIANCE WITH THE PRINCIPLES OF GOOD ENFORCEMENT**

### **3.1 Transparency**

- We will make it clear what must be done, distinguishing between statutory requirements and what is desirable but not compulsory in written and verbal communication;
- We will write to confirm any verbal advice if requested;
- Any written advice given shall be provided in plain, accessible language and in a range of formats and media where possible;
- Where immediate action is necessary, give an explanation of why such action is to be taken and confirm this in writing;
- Adequate information will be provided to enable reference to be made to the relevant statutory and associated documents;
- Any service standards such as the content of inspections will be available, on request;
- We will make it clear what sort of conduct they may expect when an officer visits and what rights of complaint are open to them;
- Any relevant complaints or appeals procedures will be explained.

### **3.2 Accountability**

3.2.1 Visits and inspections are usually made unannounced but, if appropriate and where necessary, appointments will be made. Where access cannot be obtained during the day, or in other appropriate circumstances, visits will be made outside normal working hours. Unless carrying out authorised covert surveillance work, or unless health and safety reasons at the time dictate otherwise, enforcement officers will identify themselves by name and their role within the Council and will produce their Authorisation Warrants, on request.

3.2.2. The decision to inspect specific premises may be taken due to complaints, or problems that have been reported, e.g. general complaints about shisha tobacco, which are in need of investigation, or the premises need to be inspected due to its risk rating (which determines the frequency of enforcement inspections for high and medium risk premises).

### **3.3 Proportionality**

The type of enforcement action taken by officers will, in part, depend on the risk of, or actual, negative impact on others arising from the activity in question. Action taken will be proportionate to the breach/offence which has occurred.

Where the law requires that risks should be controlled “as far as reasonably practicable” officers, will take into account the cost as well as the degree of risk. However, some irreducible risks may be so serious that they cannot be permitted irrespective of the economic consequences.



### 3.4 Consistency

Decisions on enforcement always entail a degree of judgement and the circumstances of each case will inevitably differ in detail. Furthermore, guidance upon which officers act does change over time and a decision made one day may differ from one made the next, for that reason. Consequently, there may be instances when enforcement may appear to be inconsistent for this reason. Officers will try to ensure that enforcement action is as consistent as possible by:

- following current internal procedural and guidance notes;
- taking account of appropriate guidance from other authoritative bodies e.g. (FSA, HSE), BIS, the Institute of Licensing;
- taking due account of new case law relating to enforcement;
- taking account of any new legislation or guidance which impacts on their duties,
- liaising with other enforcement agencies as necessary;
- actively participating in joint local authority schemes to achieve greater consistency;
- having due regard to the HSE's Enforcement Management Model, (when enforcing under Health & Safety legislation);
- carrying out benchmarking exercises from time to time.

The above measures will be supplemented by specific enforcement training for officers and managerial checks on performance.

### 3.5 Targeting

Enforcement will be targeted to those persons, premises or companies whose activities give rise to the risks that are the most serious or least well controlled. The Service therefore targets its enforcement action in three ways.

- Firstly officers carry out programmes of inspections on a risk rated basis. Premises or activities with the highest hazards, greatest risks, poorest compliance and worst management will be inspected more frequently than low risk premises. It follows that most of the enforcement activity arising from pro-active programmes will be targeted on the cases most requiring it.
- The second targeting mechanism is the investigation of complaints where evidence, experience and this policy are used to determine enforcement action.
- The third targeting mechanism is planned, special surveys and enforcement initiatives carried out in response to national concerns as voiced by the government or its agencies, or local concerns as voiced by Members of the Council or residents.

### **3.6 Helpfulness**

We will work with individuals and businesses to help them comply with the law, in the following ways:

- Provide advice in different languages, if requested;
- Actively advise businesses, (especially small and medium sized businesses) and assist with compliance;
- Officers will identify themselves by name (always presenting an official identity card, or warrant card, which can be verified by a phone call if requested); and
- In every other way will provide a courteous and efficient service.

## **4.0 ENFORCEMENT OPTIONS**

### **4.1 Factors to be considered**

The method of enforcement selected should be calculated to produce the highest reasonable standards of compliance within the least time where practicable. In assessing what enforcement action is necessary and proportionate, consideration will be given to:

- the seriousness of compliance failure;
- current business practices, including response to previous advice;
- the degree of risk from the situation;
- the particular circumstances of the case and likelihood of its continuation or recurrence;
- whether any harm was caused;
- the views of any victim/injured party, financial gain or benefit from a non-compliance;
- the general co-operativeness of the offender;
- the past history of the person(s), company or premises involved;
- the impact of the enforcement choice in encouraging others to comply with the law or change the behaviour of the offender;
- the likely effectiveness of the various enforcement options;
- any relevant legislative provisions, policy or legal, official, professional guidance or advice;
- whether the situation undermines the licensing objectives;
- blatant or reckless disregard for the law, poor management;
- whether a conviction is likely to result in a significant sentence;
- whether the victim of the offence was vulnerable, has been put in considerable fear, or suffered personal attack, damage or disturbance (e.g. complainant in a noise nuisance case);
- whether the defendant has previous convictions or cautions which are relevant to the present offence;
- whether the offence, although not serious in itself, is widespread in the area where it was committed;
- whether an officer has been obstructed;
- whether the cumulative effect of such breaches would be serious even if the breach in itself was not;
- whether prosecution will have a significant deterrent effect;
- Local priorities of the Service and Council.

Under normal circumstances, a process of escalation will be used until compliance is reached. Exceptions may occur where there is a serious risk to public safety or the environment or the offences have been committed deliberately or negligently or involve deception, or where there is significant economic detriment.

## **4.2 Possible enforcement options**

The level of enforcement action that may be taken varies from no action through to formal proceedings in court. The main types of action that can be considered are shown below.

### **Informal Action**

#### **a) No action**

This is appropriate when it is a minor/technical non-compliance that is rectified immediately. Any details recorded about non-compliance may be used as a basis for judgement on future enforcement action.

#### **b) Advice, Education, Training and Warning Letters**

This sort of action will be appropriate where the degree of risk (or in some cases environmental impact) from any given situation is minor, but cannot be rectified immediately. The breach of legislation, is often technical but significant enough to warrant a written letter of warning. Formal action may be taken if similar infringements are found in the future. The person responsible would have no recent history of non-compliance and the officer would have good reason to expect them to put right the matters in question without the need for further intervention.

Informal action will be recorded on departmental files and will be used as a basis for judgements on future enforcement action if there are recurrent problems with an offender or premises.

We promote a programme of food safety, health and safety, licensing and public health courses and training interventions which can be viewed and accessed via the Council website [www.lbhf.gov.uk](http://www.lbhf.gov.uk).

#### **c) Information Notices**

Many pieces of legislation enforced by the Environmental Health Service Group enable officers to demand information which is essential in order to serve notices or summons correctly. When the officer is uncertain about the information it holds, or where certain details are unknown, it will serve an information notice on those that have an obvious connection to the case, requiring for instance ownership confirmation, or perhaps company or premises details. Failure to comply with an information notice may hinder the Council in discharging its duties and is regarded as a serious offence, which will be pursued.

### **Formal Action**

#### **d) Statutory Notices**

In certain circumstances, legislation allows an officer to serve a notice requiring action to be taken or, that certain operations/activities be stopped immediately. In some instances the service of a statutory notice may be compulsory. The service of a legal notice may be followed by an investigation into the cause of the breach and further enforcement action, including prosecution may ensue, particularly where there is a deliberate failure to comply with the notice. Failure to comply with a legal notice will usually be taken as a disregard for the law and appropriate action will be taken. Legal notices are normally used where:

- A serious threat to public health, safety, the environment or to amenity will arise or a situation deteriorate, if a breach is not remedied quickly; or
- An informal approach has failed, or in the opinion of the officer is likely to fail to achieve the necessary improvements; or
- The breach is one of a number of matters prescribed under legislation.

The response of the offender will be monitored to ensure a satisfactory outcome.

In most cases there is right of appeal against a notice either to a Court, Residential Property Tribunal, or Employment Tribunal. Where there is a right of appeal, advice on the appeal mechanism will be set out in writing.

#### **e) Fixed Penalty Notices**

Certain offences are subject to Fixed Penalty Notices (FPNs) where prescribed by legislation. They are normally appropriate for offences at the minor end of the scale and avoid the defendant gaining a criminal record. Where legislation permits an offence to be dealt with by way of a FPN, we may (subject to evidential and public interest tests) chose to administer one on a first occasion, without issuing a warning. A FPN would not normally be appropriate for a repeat offence. FPNs may be issued to offer the person the opportunity of discharging any liability to conviction for the offence to which the notice relates by paying a penalty. There is provision for the person to be tried for the offence should he/she elect this process or the matter may proceed to trial should the penalty not be paid. Additionally a notice may be given, withdrawing a penalty notice if it is considered that the penalty notice ought not to have been given.

#### **f) Prohibition**

This power will be used where there are statutory grounds and where the situation cannot be allowed to continue because of the risks involved. The Council may prohibit the use of a particular piece of equipment, or a specific activity, or it may close part or all of a premises, where the risk is more widespread.

#### **g) Injunctions**

An injunction may be sought from the Courts, where the circumstances of any case cause a significant problem or threat to health of an individual or group of individuals, and the normal process of law (statutory notices, prosecution or work in default) is likely to be ineffective because the perpetrator has shown a careless disregard for earlier similar requirements, or where the process of law would take an unacceptable period of time, having regard to the particular circumstances.

Injunctions may be sought as an alternative, or in addition to other enforcement mechanisms such as prosecutions.

#### **h) Seizure of Goods, Equipment, Food, Articles or Records**

Powers of seizure may be used for food, which fails to meet food safety requirements, including illegally imported food. This power will be used where there is a serious health risk from food available for human consumption, in order to rapidly remove it from the food chain and protect the public health.

Articles or substances, which are a cause of immediate danger, may be seized under health and safety law. Officers may also seize records or goods, which are deemed dangerous or required as evidence.

Equipment may be seized to abate nuisance where there are repeat offences or the nuisance is such that its removal is the most effective remedy. Additionally other articles, records and notices may be seized by officers, if required as evidence to prove an offence.

#### **i) Work in Default**

Some legislation allows the local authority to carry out the work required by a notice (usually by hiring contractors) if the recipient of the notice does not comply with it.

Where a notice has been served, and without good reasons, the work has not been done within the time limit, then 'work in default' may follow subject to the level of risk, practical constraints of the case and the financial circumstances. Before actually doing the work specified in the original notice, the Council will consider carefully the prospect of recovery of any costs incurred.

The Council will make every effort to recover the full cost of the work carried out 'in default'. This does not preclude parallel enforcement action where the level of harm warrants it.

#### **j) Management Orders**

The Council may make an Interim or Final Management Order on a licensed house in multiple occupations, which allows it to completely take over the running of a property. Rights of appeal exist in relation to these powers and compensation provisions also arise in some cases. The Council may charge for serving certain Notices and issuing Orders under the Housing Act 2004.

#### **k) Compulsory Purchase Orders**

The Council may compulsorily purchase property under Section 17 of the Housing Act 1985. This power may be used as a last resort to acquire empty properties in order to bring them back into use. The consent of the Secretary of State is required and compensation provisions for the owner apply.

### **l) Forfeiture Proceedings**

Forfeiture proceedings may be initiated, where there are grounds to do so and in effect is the loss of property without compensation, as a consequence of a breach or non-performance of some legal obligation or the commission of a crime.

Officers, would most likely request this at the conclusion of a criminal prosecution case, where the defendant's guilt has been established beyond all reasonable doubt. If acquitted, the defendant is entitled to retrieve the seized property. Officers need only show reasonable grounds to believe that the property was used in, or derived from, certain prohibited/illegal activities. In some cases, officers may agree that a business can (forfeit) sign goods over to the Council for disposal, where there are small quantities, e.g. under 20 counterfeit items, where a letter of warning or simple caution may be offered, in lieu of prosecution.

### **m) Arrest of individuals**

In limited circumstances, officers may seek the arrest of individuals suspected of offences under the Trade Marks Act 1994, if the officers suspects that the information supplied is not reliable, or where evidence may be lost, or subject to interference. This power is not exercised lightly and officers must first satisfy the Metropolitan Police Service that the action is necessary.

### **n) Licence Review**

Responsible Authorities and 'Other Persons' have the power under the Licensing Act 2003 to apply to have a Premises Licence reviewed by the Licensing Committee where activities at the premises appear to be undermining one or more of the four Licensing Objectives (the prevention of crime and disorder, public safety, the prevention of public nuisance and the protection of children from harm).

This option is also open to Officers of the Licensing Authority but officers will generally only take such action if they feel that there are good reasons for a licence to be the subject of a review and no other 'body' has made the relevant application. Each application for a review will be considered on its own merits. The instigation of a review may lead to the instigation of other enforcement action by the appropriate parties. Possible review outcomes include; the modification of licence conditions, licence suspension or revocation, or removal of the Door Premises Supervisor (DPS). For more information on Reviews, please see the Council website [www.lbhf.gov.uk](http://www.lbhf.gov.uk).

## **o) Simple Caution**

There are three preconditions, which must all be satisfied if a matter is to be dealt with by simple caution, as follows:

- There is sufficient evidence to give a realistic prospect of conviction,
- The offender admits his or her guilt,
- The person being cautioned agrees to it, having been made aware that the caution may be cited in Court if the person is found guilty of other offences in the future.

The reasons for issuing a simple caution instead of prosecution in the courts would commonly be that the offender has no previous history in relation to the offence and has done everything in their power to make amends. Depending on the circumstances, this would usually entail remedial work to premises and/or taking proper steps to ensure that the offence cannot recur. If a simple caution were to be offered and refused by the offender then the case would proceed to court.

Following the acceptance of a caution, the offender may be invited to contribute towards the Council's costs in investigating and preparing the case, if these are significant. However a caution cannot be granted on condition that the Council's costs are paid.

## **p) Prosecution**

The Council has the power to prosecute offenders for a range of criminal offences and criminal prosecution is the most severe and, if successful, punitive approach that can be taken.

Where appropriate, disqualification of directors will be sought under the Company Directors Disqualification Act 1986. Consideration will also be given to prosecution of directors if a significant risk continues after warnings have been given by employees (E.g. if an offence was committed with their consent, connivance or neglect).

Where there has been death at work resulting from a failure to comply with health and safety law, the matter will be referred to the police if the circumstances of the case might justify a charge of manslaughter. If the police decide not to pursue the case the Service would normally pursue a health and safety prosecution. In order to ensure decisions on investigation and prosecution are closely coordinated, the Work-Related Deaths Protocol for the police, the Crown Prosecution Service and the Health and Safety Executive will be followed.

## **The Decision to Prosecute/Issue a Simple Caution**

Two tests are applied in determining whether a Prosecution or a Simple Caution is viable and appropriate. We follow guidance issued by the Crown Prosecution Service when applying the tests. More information can be found at: [Code for Crown Prosecutors](#).



A Simple Caution or Prosecution proceedings will only be progressed when the case has passed both the evidential test and the public interest test. The principles outlined also apply to the other types of formal enforcement actions that are available.

### **The Evidential Test**

We must be satisfied that there is enough evidence to provide a 'realistic prospect of conviction' against each defendant on each charge. In considering the evidence, officers should have regard to any lines of defence which are open to or have been indicated by the accused, as well as any other factors likely to affect the prospects of conviction including admissibility of the evidence and reliability of witnesses. This must be an objective test since a conviction will only be obtained if the Court or the jury is sure of a defendant's guilt.

### **The Public Interest Test**

The public interest test must be considered in each case where there is enough evidence to provide a realistic prospect of conviction. We will balance factors for and against prosecution carefully and fairly. Public interest factors that can affect the decision to prosecute usually depend on the seriousness of the offence or the circumstances of the defendant. Some factors may increase the need to prosecute whilst others may suggest that another course of action would be more appropriate. Please refer to section 4.1.

## **5.0 INVESTIGATIONS**

### **5.1 Access**

At times officers may have to access premises or land to investigate or undertake inspections in accordance with legislative duties. The majority of officers within the Food Safety, Health and Safety, Trading Standards and Licensing Teams do not give advance notice about inspections. E.g. The Food Safety Code of Practice requires officers to carry out inspections without prior notice. Officers will give adequate notice of intended entry where practicable but at times dependent on the risk or to avoid alerting perpetrators may do so without prior warning. On occasion officers may have to force entry and will apply to the courts for a warrant.

### **5.2 Notifying Alleged Offenders**

If we receive information (for example from a complainant) that may lead to enforcement action we will notify those concerned as soon as is practicable of any intended enforcement action, unless this could impede an investigation or pose a safety risk to anyone concerned.

Throughout the course of an investigation business proprietors or individuals and witnesses will be kept informed of progress. Confidentiality will be maintained and personal information about individuals will only be released to a court when required and/or in accordance with the Data Protection Act 1998. Information gathered during such investigations will be subject to the restrictions on disclosure (e.g. as laid out in the Enterprise Act 2002).



### **5.3 Liaison with and referrals to other regulatory bodies and enforcement agencies**

Where there is wider regulatory interest, officers will refer information received to other relevant regulators.

Where appropriate, enforcement activities will be planned and coordinated with other regulatory bodies and enforcement agencies to maximise the effectiveness and consistency of any enforcement.

We will share intelligence relating to wider regulatory matters with other regulatory bodies and enforcement agencies. These may include (but is not limited to) Government Agencies and Departments, other Local Authorities, Police Forces and Fire Authorities.

The Enforcement Management Model (EMM), together with the procedure for its application, provides the Council with a framework for making enforcement decisions that meet the principles of the HSE Executive Board Enforcement Policy Statement. It captures the issues officers consider when exercising their professional judgement and reflects the process by which enforcement decisions are reached.

Officers will liaise with Primary Authorities and Home Authorities when applicable.

### **5.4 Directed surveillance using the Regulation of Investigatory Powers Act (RIPA)**

The Borough is a public authority for the purposes of the Human Rights Act 1998.

Where an investigation into the prevention or detection of crime and/or prevention of disorder is necessary, for example, following a serious incident or repeat complaints, officers will endeavour to carry out the investigation using overt methods, unless the only means of effective investigation is by way of covert directed surveillance.

Any directed surveillance shall be carried out in accordance with Council procedures, RIPA (Regulation of Investigatory Powers Act 2000) and The Protection of Freedoms Act 2012. Authorisation for this type of pre-planned investigation may only be given in writing by formally appointed officers within the Council and before being formally authorised by a Justice of the Peace.

### **5.5 Proceeds of Crime Act**

Applications may be made under the Proceeds of Crime Act for confiscation of assets in serious cases. Their purpose is to recover the financial benefit that the offender has obtained from any criminal conduct. Applications are made after a conviction has been secured.

## **5.6 Enforcement on Council premises, or at events organised by the Council**

In principle the Council cannot legally enforce against itself. Where infringements on Council premises, or at events organised by the Council are identified, the matter will be formally notified to the appropriate Executive Director and the Chief Executive will be advised. If the problem relates to health and safety matters then the HSE will be notified. If the potential breaches of the law are the responsibility of contractors employed by the Council, enforcement action will be taken against the contractor in the same way as in other cases not involving the Council.

In relation to the Council's housing stock, a protocol has been agreed which outlines the approach which will be followed to investigate housing complaints and notify the need for action.

### **Implementation of the Enforcement Policy**

The Director for Environmental Health, Heads of Service and Team Managers, will be responsible for ensuring that all officers are familiar with the requirements of and carry out their duties in accordance with, this Enforcement Policy.

### **Review of the Enforcement Policy**

Other Council services, including Legal Services, businesses, residents and other interested parties, including the Police, will be consulted in respect of future revisions of this Policy.

This Policy will be reviewed annually.

## Complaints about the Service

If anyone wishes to complain about enforcement action they may do so initially by contacting the relevant Team Manager by telephone on 020 7341 3002.

Team Managers can also be contacted by e-mail at [EnvironmentalProtection@lbhf.gov.uk](mailto:EnvironmentalProtection@lbhf.gov.uk) (or by writing to them at: Environmental Health Service Group, PO Box 66532, London, W8 9GL).

Where possible, a complaint will be investigated within 15 working days. A complainant will be advised at the outset about how the complaint will be dealt with and when to expect information on the progress of the investigation.

Complaints from tenants of Registered Social Landlords (RSL) relating to housing matters will be dealt with in the manner laid out in the RSL Protocol. We will mediate where there are continuing disputes or difficulties, encouraging tenants to follow the RSL's complaint procedures, and will intervene where we foresee an immediate risk to health or safety.

If a complainant is dissatisfied with the result of their complaint to the Team Manager, the complaint will be reviewed at a higher level, and may ultimately be dealt with by the Executive Director. For details about the formal complaints procedure please see the Council website [www.lbhf.gov.uk](http://www.lbhf.gov.uk).

## Publicity

We will normally publicise details of any convictions, which could serve to draw attention to the need to comply with the law or deter others. Where appropriate, the media will also be provided with factual information about charges that have been laid before the Courts, any pending formal action and any enforcement action already taken.

A register of health and safety notices, which affect the public, is also available to view at the Council Offices.

The names of companies and individuals convicted of breaking health and safety law in the previous 12 months will be published annually by the HSE.

In keeping with the spirit of the Freedom of Information Act and the Environmental Information Regulations, the Council publishes an increasing amount of information on its website: [www.lbhf.gov.uk](http://www.lbhf.gov.uk).

Anyone wishing to make an official request for information under this legislation should contact our h&f InTouch Team on 020 8753 2456 for advice.

This policy document is freely available to the public on the Council's website, or as a paper copy on request to the Director for Environmental Health, PO Box 66532, London, W8 9GL, (telephone: 020 7341 3002), or via email at [EnvironmentalProtection@lbhf.gov.uk](mailto:EnvironmentalProtection@lbhf.gov.uk).

# Agenda Item 11



## **NOTICE OF CONSIDERATION OF A KEY DECISION**

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

## **NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE**

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

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

## **KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 2 MARCH 2015 AND AT FUTURE CABINET MEETINGS UNTIL MAY 2014**

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

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

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

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

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

*If you have any queries on this Key Decisions List, please contact  
Katia Richardson on 020 8753 2368 or by e-mail to [katia.richardson@lbhf.gov.uk](mailto:katia.richardson@lbhf.gov.uk)*

### **Access to Cabinet reports and other relevant documents**

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

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

*Key Decisions List No. 29 (published 30 January 2015)*

## KEY DECISIONS LIST - CABINET ON 2 MARCH 2015

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

*Where column 3 shows a report as EXEMPT, the report for this proposed decision will be considered at the private Cabinet meeting. Anybody may make representations to the Cabinet to the effect that the report should be considered at the open Cabinet meeting (see above).*

\* All these decisions may be called in by Councillors; If a decision is called in, it will not be capable of implementation until a final decision is made.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet <i>(other relevant documents may be submitted)</i>
<b>2 March</b>				
Cabinet	2 Mar 2015	<p><b>Speech and Language Therapy Services - extension of Service Level Agreements (2014-2016)</b></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><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		<p>Ward(s): All Wards</p> <p>Contact officer: Alison Farmer</p> <p>Alison.Farmer@rbkc.gov.uk</p>	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Cabinet	2 Feb 2015  Reason: Expenditure more than £100,000	<p><b>Contract award : Child obesity prevention and healthy family weight services</b></p> <p>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</p> <p>The report proposes that each of the three Councils enters into a contract with the recommended providers to deliver these services.</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b>            Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Cabinet Member for 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.
Cabinet	2 Mar 2015  Reason: Expenditure more than £100,000	<p><b>Edward Woods Estate - Norland, Poynter &amp; Stebbing rooftop apartments</b></p> <p>Proposals for reversion of the rooftop apartments for general needs tenancy</p>	Cabinet Member for Housing  Ward(s): Shepherds Bush Green  Contact officer: Stephen Kirrage Tel: 020 8753 6374 stephen.kirrage@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet ( <i>other relevant documents may be submitted</i> )
Cabinet	2 Mar 2015	<b>Service arrangements for passenger transport</b>  Report summarising outcomes from consultation and recommendations for future passenger transport service arrangements.	Cabinet Member for Children and Education, 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  Contact officer: Mike Potter, Rachael Wright-Turner Tel: 020 7745 6399  mpotter@westminster.gov.uk, Rachael.Wright-Turner@rbkc.gov.uk	
Cabinet	2 Mar 2015	<b>Leasehold management and administration fee review</b>  To review the methodology of the calculation of the management and administration fees recharged to leaseholders and freeholders on estates to ensure that it meets the terms of the lease and associated legislation.	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  Contact officer: Jana Du Preez Tel: 020 8753 4242 Jana.DuPreez@lbhf.gov.uk	
Cabinet	2 Mar 2015	<b>Revised enforcement policy for the Environmental Health Service Group</b>  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.	Cabinet Member for Environment, Transport & Residents Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards  Contact officer: Valerie Simpson Tel: 020 8753 3905 <a href="mailto:Valerie.Simpson@lbhf.gov.uk">Valerie.Simpson@lbhf.gov.uk</a>	



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	2 Mar 2015	<p><b>Approval to award a lead consultant and full design team consultant for the refurbishment of the Holy Cross RC Primary School, Basuto Road, Fulham</b></p> <p>To appoint a design team consultancy service for the Holy Cross RC Primary School Refurbishment Project via the existing LBHF / 3BM Framework Agreement Contract.</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a 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	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): Parsons Green and Walham	
Cabinet	2 Mar 2015	<p><b>Corporate Revenue Monitor 2014/15 month 9</b></p> <p>Update of forecast Revenue outturn and agreement of virement requests.</p>	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	

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	2 Mar 2015	<b>Core adult drug and alcohol services recommissioning</b>  Seeking approval to the recommissioning of core drug and alcohol services across the Tri-borough	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	2 Mar 2015	<b>S106 Spend 2014/15</b>  A report seeking authorisation for all of the Section 106 Expenditure for 2014/15	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	
Cabinet	2 Mar 2015	<b>Corporate Plan 2015-18</b>  A new Corporate Plan for H&F, setting seven key priorities and new corporate objectives to deliver on over the next three years.	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: Affects 2 or more wards		Ward(s): All Wards	
Leader of the Council	Not before 9 February 2015	<b>Ark Conway Free School Phase 2 - Appointment of main contractor</b>  Appointment of a contractor to undertake building works at Ark Conway	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting & will include details of any supporting documents and /or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): Wormholt and White City	

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			Tel: 020 8753 3404.  David. Mcnamara@lbhf.gov.uk	
<b>30 March</b>				
Cabinet	30 Mar 2015  Reason: Expenditure more than £100,000	<b>Property asset data management Lot 3 pricing model - proposed call-off</b>  Seeking approval to a proposed call-off contract.  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Finance  Ward(s): All Wards  Contact officer: Maureen McDonald-Khan Tel: 020 8753 4701 maureen.mcdonald-khan@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	30 Mar 2015  Reason: Expenditure more than £100,000	<b>London Enterprise Panel - New Homes Bonus Programme</b>  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.  Activities have been required to align with LEP priorities. We have bid for a mixture of enterprise, employment and planning support.  This report gives detail of the programme and asks for agreement of the Cabinet to accept the funding and deliver the programme of activities.	Cabinet Member for Economic Development and Regeneration  Ward(s): All Wards  Contact officer: Ingrid Hooley Tel: 020 8753 6454 Ingrid.Hooley2@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	30 Mar 2015  Reason: Affects 2 or more wards	<p><b>London Borough of Hammersmith &amp; Fulham Cycling Strategy</b></p> <p>The Cycling Strategy sets out how the London Borough of Hammersmith &amp; 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 &amp; 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	30 Mar 2015  Reason: Expenditure more than £100,000	<p><b>Tri-borough contract for Internal Audit services</b></p> <p>The current contracts for Internal Audit services held by LBHF and RBKC are due to expire in June 2015 and need to be replaced with a single Tri-Borough contract.</p>	<p>Cabinet Member for Finance</p> <p>Ward(s): All Wards</p> <p>Contact officer: Geoff Drake geoff.drake@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	30 Mar 2015  Reason: Expenditure more than £100,000	<p><b>Family Group Conference Services contract award</b></p> <p>Recommending the approval of 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.
Cabinet	30 Mar 2015  Reason: Expenditure more than £100,000	<b>Corporate Revenue monitor 2014/15 Month 10</b>  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.
Cabinet	30 Mar 2015  Reason: Affects 2 or more wards	<b>HRA Housing Capital Programme 2015/16 to 2017/18</b>  This report provides specific details of the proposed 2015/16 housing capital programme and proposes budget envelopes for the following two years.	Cabinet Member for Housing  Ward(s): All Wards  Contact officer: Stephen Kirrage Tel: 020 8753 6374 stephen.kirrage@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	30 Mar 2015  Reason: Expenditure more than £100,000	<b>Carers Hub Hammersmith &amp; Fulham</b>  Report to extend the Carers Hub Service with Carers Network  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption	Cabinet Member for Health and Adult Social Care  Ward(s): All Wards  Contact officer: Mike Potter  mpotter@westminster.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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		outweighs the public interest in disclosing the information.		
Cabinet	30 Mar 2015	<b>Shared Services strategy regarding violence against women &amp; girls</b> For Cabinet to approve the VAWG strategy for LBH&F, RBKC and WCC	Deputy Leader	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards  Contact officer: Claire Rai claire.rai@lbhf.gov.uk	
Cabinet	30 Mar 2015	<b>School Organisation and Investment Strategy 2015 (SOIS)</b>  To approve the SOIS	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards  Contact officer: Ian Heggs Tel: 020 7745 6458 ian.heggs@lbhf.gov.uk	
<b>27 April</b>				
Cabinet	27 Apr 2015	<b>Procurement of a Homecare service for the London Borough of Hammersmith and Fulham (H&amp;F); Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC)</b>  Seeking Cabinet agreement to the awarding of three new contracts for the provision of Homecare services in the London Borough of Hammersmith and Fulham.  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the	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  Contact officer: Michael Gray Tel: 0208 753 1422 Michael.Gray@lbhf.gov.uk	



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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	27 Apr 2015  Reason: Affects 2 or more wards	<p><b>Appointment of contractor to deliver services relating to violence against women &amp; girls across LBH&amp;F, RBKC and WCC</b></p> <p>The report requests the approval of the recommendation to allocate contracts for:            The coordination of Specialist Domestic Violence Courts and Multi Agency Risk Assessment Conferences (lot 1); and Integrated Support Services (ISS) which includes a range of specialist frontline services to support adults and young people, children and families who are victims or affected by gender based violence (lot 2) across the three boroughs</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b>            Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Deputy Leader, Cabinet Member for Social Inclusion  Ward(s): All Wards  Contact officer: Mina Cobbinah, Pat Cosgrave Tel: 020 8753 2810 <a href="mailto:Mina.Cobbinah@rbkc.gov.uk">Mina.Cobbinah@rbkc.gov.uk</a> Pat.Cosgrave@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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<b>19 May</b>				
Cabinet	19 May 2015  Reason: Affects 2 or more wards	<b>Housing Strategy - delivering the change we need in housing</b>  Seeking to agree a new Housing Strategy (and associated documents) to reflect changes in policies required to meet the Administration's Manifesto commitments.	Cabinet Member for Housing  Ward(s): All Wards  Contact officer: Aaron Cahill, Erin Macgalloway Tel: 020 8753 1649, Tel: 0208 753 5727 Aaron.Cahill@lbhf.gov.uk, Erin.Macgalloway@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	19 May 2015  Reason: Expenditure more than £100,000	<b>Change ICT service desk provider</b>  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.  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for 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.



## NOTICE OF CONSIDERATION OF A KEY DECISION (published 4 February 2015)

In accordance with paragraphs 9 and 10 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.

The Cabinet also hereby gives notice in accordance with paragraph 5 of the above Regulations that it intends to determine a Key Decision in private as shown below.

The decision may be implemented 3 clear working days after it is made, unless called in by Councillors.

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>
Leader of the Council	Not before 12th Feb 2015	<p><b>King Street Regeneration project and 84-90B Fulham High Street site</b></p> <p>Seeking approval to accepting offers from King Street Developments (Hammersmith) Ltd. and Tesco Stores Ltd. to enable the project to proceed.</p> <p><b>PRIVATE</b></p> <p>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 Economic Development and Regeneration, 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: Income more than £100,000		Ward(s): Hammersmith Broadway; Palace Riverside; Ravenscourt Park	

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Leader of the Council	Not before 12th Feb 2015	<p><b>Amendment to Housing Allocation Scheme following Court of Appeal Judgment in R (Jakimaviciute)v LB Hammersmith &amp; Fulham</b></p> <p>This report seeks a decision to amend the Council's Scheme of Housing Allocation to comply with a judgment of the Court of Appeal which found one aspect of the Council's current scheme to be unlawful.</p>	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	