

Cabinet Members' Decisions


made in September 2014

Date Issued: 15 September 2014

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	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET MEMBER DECISION</p> <p>SEPTEMBER 2014</p>
<p>STOP LOAN SHARKS CHARTER</p>	
<p>Report of the Cabinet Member for Environment, Transport & Residents Services - Councillor Wesley Harcourt</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p> <p>Key Decision: No</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Nigel Pallace, Executive Director of Transport and Technical Services</p>	
<p>Report Author: Sanju Manji, Bi-borough Trading Standards Manager</p>	<p>Contact Details: Tel: 020 8753 3392 E-mail: sanju.manji@lbhf.gov.uk</p>

AUTHORISED BY:

The Cabinet Member has signed this report.

DATE: 1 September 2014.....

1. EXECUTIVE SUMMARY

- 1.1. This report seeks agreement to launch the Stop Loan Sharks Charter in September 2014 with local partners to create a cohesive community statement that loan sharks will not be tolerated in the Borough.
- 1.2. The overall aim is to
 - Promote the Charter as widely as possible and encouraging organisations to sign up;
 - Plan and implement initiatives to support and take part in a loan shark awareness week once a year;

- Create opportunities to provide awareness on budgeting and money advice to local communities so residents can make informed financial choices; and
- Take a multi-agency approach to facilitate the England Illegal Money Lending Team (IML) to increase their reach into local communities

2. RECOMMENDATIONS

- 2.1. That the Stop Loan Sharks Charter is supported and launched in September 2014.
- 2.2. To agree the wording in the Charter, list of proposed signatories, next steps and to advise about other Cabinet Members/Councillors who should sign the Charter.

3. REASONS FOR DECISION

- 3.1. Working in partnership with other organisations to share information is vital as they will often be in a position to gather intelligence on illegal money lenders, alert residents and provide any necessary advice.
- 3.2. There is often a reluctance to speak out about loan sharks but the charter aims to start a conversation about the issue and in doing so reach those who are at risk, which are often some of the most socially excluded people.
- 3.3. Research shows that those at risk to loan sharks respond better to word of mouth and information in the local media than to posters, leaflets and other publicity materials. The charter provides an opportunity to speak to the public and to publicise our partnership approach.
- 3.4. A3 size charters can be produced with the logos of each signatory and when signed will provide a photograph and media opportunity which can be widely publicised. A draft copy of the charter is embedded at the end of this report.
- 3.5. Signing a Charter sends a message to illegal money lenders, that The borough is not a place to do business.

4. INTRODUCTION AND BACKGROUND

- 4.1. Trading Standards have been working in partnership with the England Illegal Money Lending Team (IML) to tackle illegal money lenders in the Borough.
- 4.2. Last month, it was reported that a 49 year old woman who operated as a loan shark in Fulham was sentenced to 9 months in prison suspended for two years and ordered to complete 150 hours of unpaid work and pay back all her available assets, worth £24,842. Her illegal business spanned from 2009 to 2013 where she was lending without a licence to members of

the local Filipino community. Her total criminal benefit was valued at £79,000 and nearly £100,000 worth of unexplained deposits went into her bank account between April 2009 and her arrest.

- 4.3. Loan sharks also known as illegal money lenders are people who offer loans at extremely high interest rates, do not have a consumer credit licence and their practices are often illegal.
- 4.4. There are a number of illegal activities associated with illegal lending. As these debts are unenforceable in law, lenders usually enforce debts through fear, intimidation, violence, sexual offences and other illicit means.
- 4.5. Bullying can affect a resident's quality of life, as victims often worry about how they are going to pay each week, and the consequences if they cannot pay. This can result in high stress levels, depression and other mental health issues.

THE ILLEGAL MONEY LENDING TEAM (IML)

- 4.6. There are three National IML teams; Scotland, Wales and England. The England team is based in Birmingham. IML Officers based around the country investigate any related criminal activities and prosecute offenders through the Courts.
- 4.7. Since the England team launched in 2004:
 - § More than 212 loan sharks have been prosecuted, resulting in 134 years of custodial sentences;
 - § Financial inclusion officers have supported more than 18,000 vulnerable loan shark victims to get back on their feet;
 - § Regional IML liaison officers work with Local Authority Trading Standards Services on campaign work to increase awareness in local communities.
- 4.8. The IML team have a confidential victims hotline number (0300 555 2222) for anyone who has been a victim or anyone who wants to report a loan shark.

THE CHARTER

- 4.9. A draft copy of the Charter is embedded as Appendix 1.
- 4.10. The A3 size charter can be produced with the logos of each signatory and when signed will provide a photograph and media opportunity which can be widely publicised.
- 4.11. The purpose of the Charter is that the IML team work in partnership with Trading Standards to:
 - § Gather intelligence about what is going on in the local community;

- § Stop illegal lenders from operating, by providing alternative solutions for people in debt, such as credit unions;
- § Encourage potential victims to avoid going to loan sharks in the first place.
- § Provide training to front line staff and awareness training to residents;
- § Encourage the vulnerable, those at risk and the socially excluded to speak out about loan sharks.

5. PROPOSAL AND ISSUES

PROPOSED LIST OF PARTNERS TO SIGN THE CHARTER

- 5.1. The following organisations and services have regular interaction with residents and local businesses, and can play a key role in protecting them from becoming victims of loan sharks.

- 5.2. Trading Standards will aim to get representatives from the following ten organisations to sign up to the Charter to send the right message to illegal money lenders that the London Borough of Hammersmith & Fulham is not a place to do business:
 - § Age UK;
 - § Citizens Advice Bureaux;
 - § Community Safety;
 - § Environmental Health Service Group;
 - § Housing Health and Adult Social Care;
 - § Public Health;
 - § Revenues and Benefits;
 - § Tenant Management Organisation;
 - § The Metropolitan Police;
 - § Credit Union.

- 5.3. These partners will play a key role in providing support, signposting victims to the IML team and credit unions, and engaging with Resident Associations and Trade Associations.

PROPOSED NEXT STEPS

- 5.4. The proposed next steps are:
 - § To finalise the Charter (Trading Standards Team);
 - § To obtain signatures from agreed partners during a week of action (Trading Standards Team);
 - § To attend residents meetings, seminars, and any other local groups to provide money advice and awareness training (IML Team);
 - § To attend partners meetings and provide training to front line staff (IML Team);
 - § Investigate all reports about loan sharks, and publicise successful cases; (IML/ Trading Standards Team).

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1. The launch event to take place:

- On the 24th September 2014 at the West London Financial Capability Forum which is organised by the Citizens Advice Bureaux and attended by key partners detailed above, or
- Jointly with the Royal Borough of Kensington and Chelsea where Cllr Harcourt, Cllr Ahern and members of partnership organisations from both Borough's attend a joint signing event, or
- At London Borough of Hammersmith and Fulham where Cllr Harcourt, and members of partnership organisations from the borough attend the signing event.

7. CONSULTATION

7.1. Officers have met with the partners listed under paragraph 5.2 and all have advised that they are in support of signing the charter.

8. EQUALITY IMPLICATIONS

8.1. The north of the Borough has higher levels of deprivation, however the project will cover the whole of the Borough and therefore no particular characteristic will be excluded. For this reason there are no equality implications to this report.

8.2. (Awaiting comments from Opportunities Manager)

9. LEGAL IMPLICATIONS

9.1. By signing the charter, agencies are not entering into a legally binding agreement but simply agreeing to take a zero tolerance approach to loan sharks and to raise awareness.

9.2. (Awaiting comments from Legal)

10. FINANCIAL AND RESOURCES IMPLICATIONS

10.1. Most work will be done by the IML team. No additional resources will be sought, as many other local authorities have demonstrated that they can support the Charter through normal service delivery. The IML team also assist with publicity material.

10.2. (Awaiting comments from Finance)

11. RISK MANAGEMENT

11.1. See comments under 9.1 above.

11.2. (Awaiting comments from Legal)

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

12.1. There are no contractual arrangements and procurement proposals associated with this report.

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

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

LIST OF APPENDICES:

Appendix 1: Draft Charter



Appendix 1 Draft
LBHF Charter.pdf

Stop Loan Sharks


 citizens
advice
bureau
hfcab.org.uk

 citizens
advice
bureau

 Hammersmith
& Fulham
ageUK

 METROPOLITAN
POLICE
TOTAL POLICING

 ENGLAND - ILLEGAL MONEY LENDING TEAM
Hammersmith & Fulham Council

StopLoanSharks Charter

 Hammersmith & Fulham Council
PARTNERS' AGREEMENT

This agreement is aimed at tackling any issues of Illegal Money Lending in the London Borough of Hammersmith & Fulham.

The England Illegal Money Lending Team aim to prosecute unlicensed lenders in the London Borough of Hammersmith & Fulham.

Hammersmith & Fulham Council's partners recognise that effectively tackling loan shark behaviour leads to safer communities and neighbourhoods for Hammersmith & Fulham Council residents.

The aims of Hammersmith & Fulham Council Stoploansharks Initiative are to:

1. Increase awareness within local communities of the approaches and tactics that illegal loan sharks adopt when targeting potential victims.
2. Create a legacy that will make the London Borough of Hammersmith & Fulham a difficult place for illegal loan sharks to prosper.
3. Increase the confidence of Hammersmith & Fulham Council residents so they can make informed financial choices on areas such as affordable lending and saving through a local credit union.
4. Increase the confidence of Hammersmith & Fulham Council residents to enable them to report illegal loan sharks activity safely.
5. Increase the awareness of agencies working with Hammersmith & Fulham Council residents to enable staff to spot signs of loan shark victims and then offer them the opportunity of support.

We agree to achieve this by:

1. Promoting the Hammersmith & Fulham Council Stoploansharks Initiative as widely as possible. Encouraging Hammersmith & Fulham Council organisations to sign up to this Charter.
2. Plan and implement initiatives to support and take part in a loan sharks awareness week.
3. Create opportunities to increase awareness on budgeting and money advice to local communities so residents can make informed financial choices.
4. Take a multi agency approach to facilitate the Illegal Money Lending Team to increase their reach into local communities.

Signatories	Organisation	Signature
Sanju Manji	Trading Standards	
Karen O'Neill	Illegal Money Lending Team	
	Metropolitan Police	
	Hammersmith & Fulham Citizens Advice Bureau	
	Credit Union	
	Community Safety	
	Housing	
	Private Housing	
	AgeUK	

	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET MEMBER DECISION</p> <p>SEPTEMBER 2014</p>
<p>SUPPORTING PEOPLE DOMESTIC VIOLENCE SERVICE CONTRACT EXTENSIONS AND VARIATIONS</p>	
<p>Report of the Cabinet Member for Health and Adult Social Care</p>	
<p>Open report</p>	
<p>Classification - For Decision Key Decision: No</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Liz Bruce - Executive Director Tri-Borough Adult Social Care</p>	
<p>Report Author: Julia Copeland Commissioning Manager Supported Housing</p>	<p>Contact Details: Tel: 020 8753 1203 E-mail: julia.copeland@lbhf.gov.uk</p>

AUTHORISED BY:

The Cabinet member has signed this report.

.DATE: 5 September 2014.....

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the recommendation that the Council utilises the extension provisions available in two existing Supporting People domestic violence contracts. The Council is currently determining the commissioning requirements for future Violence against Women & Girls services including Tri-borough commissioning and procurement options; this review is not led by Adult Social Care. Both contracts expire on 30th September 2014 and are included in the scope of this review. In order to provide continuity of service to vulnerable residents it is necessary to extend the contracts whilst the council concludes the review of its future requirements.
- 1.2 One of the contracts is a Floating Support service provided by Shepherds Bush Housing Group (SBHG) and currently provides support to 40 women and children in the community who have experienced domestic abuse. The second contract is for the provision of two refuge services providing 13 units of accommodation in the borough, provided by Hestia Housing & Support.
- 1.3 Both services provide a range of practical and emotional support including income maximisation, debt management, budgeting, resolving tenancy issues, independent living skills, reducing social isolation, signposting to employment, training & education opportunities and improving health and well-being. Services are short-term and support individuals to help themselves and reduce their dependency on services in the future.
- 1.4 A commissioning review of these contracts in September 2013 indicated both contracts are providing good quality services to vulnerable women and children. However, SBHG has recently indicated that the floating support contract is no longer financially viable for their organisation and they were seeking an early exit from the contract. We have subsequently agreed a proposal to reduce the capacity of the service for the period 1/10/14-31/3/15 at revised terms; delivering a saving to the council, ensuring vulnerable people continue to receive a service and that the contract is financially sustainable for this period. This report therefore also includes the recommendation to vary the terms of the SHBG contract for the stated period.
- 1.5 on 13th May 2013, Cabinet delegated the authority to extend and or vary the contractual terms of Supporting People contracts, including the Family Mosaic contract to the Cabinet Member for Health & Adult Social Care.

2. RECOMMENDATIONS

- 2.1 That approval be given to the extension of the Shepherds Bush Housing Group Domestic Violence Floating Support contract from 1 October 2014 to 31 March 2015 as set out in Table 1 of the report and to vary the contract as set out below at a total cost of £33,501 in 2014-15:

- i. From 1/10/14 to 31/3/15 reduce the capacity of the contract from 40 households to 20 households.
- ii. For the period of 1/10/14 to 31/12/15, reduce the annual contract value from £144,544 to £73,593.16 (pro rata).
- iii. For the period 1/1/15 to 31/3/15, reduce the annual contract value from £73,593.16 to £60,412.84 (pro rata).

2.2 That approval be given to extend the Hestia Housing and Care Domestic Violence Refuge Contract from 1 October 2014 to 31 March 2015 at a total cost of £70,612 as set out in table 1 below.

Table 1

Contract	Contract start	Contract end	Current Expiry Date	Proposed extension	Current annual contract value	Total extension value
Shepherds Bush Housing Group – Floating Support	1/05/2010	30/4/2013 with option to extend for 2 X 12 month periods	30/9/2014	1/10/14 - 31/3/15	£144,544	£33,501
Hestia Housing & Care - Refuges	1/4/2011	31/3/2014 with option to extend for 2 X 12 month periods	30/9/2014	1/10/14 - 31/3/15	£141,225	£70,612

3. REASONS FOR DECISION

- 3.1 The Council (not led by Adult Social Care) is currently reviewing the future commissioning arrangements for Violence against Women and Girls (VAWG) services, including future Tri-borough procurement and commissioning options. The two contracts described in table 1 are included in this review. Both contracts expire on 30th September 2014 and it is important to ensure continuity of service to vulnerable residents while the council determines future requirements.
- 3.2 A review of both services was carried out by Tri-borough adult social care commissioners in 2013-14 and the findings confirmed that the contracts are providing important services to vulnerable women and children who are experiencing domestic violence. Both contracts have delivered savings in the last 18 months. However, an action plan was put in place for the Shepherds Bush service to improve the throughput rate of cases and to ensure a better system for prioritising cases to make the service more efficient and better value for money for the council.

- 3.3 It is necessary to vary the capacity and contract value of the Shepherds Bush floating support service as the current arrangements are not financially sustainable for Shepherds Bush. By varying the contract for the period 1/10/14-31/3/15 we enable continuity of service to vulnerable people while the council determines its future commissioning requirements and deliver savings for the council. The exit strategy will ensure that all the cases assessed as ready for closure are managed effectively and that a risk assessment is completed. In addition because the 2013 review identified that SBHG could improve the service throughput rate and that some individuals should have been referred to other services from the outset, officers are confident that the council will continue to be able to meet the needs of women experiencing domestic violence.

4. BACKGROUND

- 4.1 The former Supporting People programme was established in 2003 and the responsibility for commissioning and contracting housing support services transferred to local authorities. Housing support services include floating support and accommodation services for people experiencing domestic violence and abuse. In 2009/10, LBH&F reconfigured domestic violence housing support services and commissioned the two services detailed in Table 1 above. These services are funded from the Supporting Budget that transferred to Tri-borough Adult Social Care (ASC) in 2012.
- 4.2 In LBH&F, the strategic responsibility for VAWG services sits with Community Safety, but several council departments fund VAWG services including Housing and Regeneration, 3rd Sector Investment Fund, Children's Services and the ASC Supporting People budget.
- 4.3 The current arrangements are fragmented; as outlined above the council is currently considering the future strategic priorities and commissioning & contracting arrangements for VAWG services. The scope of this review includes Tri-borough options and transferring the budgets for the two services listed in Table 1 to another LBH&F department to deliver more joined up services and savings.

5. PROPOSAL AND ISSUES

- 5.1 It is proposed that the Council extends the two contracts as set out in Table 1. Both contracts expire on 30th September 2014 and need to be extended as the council's future requirements are under review and it will not be possible to have alternative arrangements in place before the current contracts expire.

6. OPTIONS AND ANALYSIS

Do Nothing

6.1 There is not an option to do nothing as existing contracts expire on 30/9/14 and there will be a reputational risk to the council if the services end before alternative arrangements are in place. Therefore this recommendation is not recommended.

Extend the contracts

6.2 It is proposed that the Council utilises the extension provisions available in the two Supporting People contracts and extends the contracts as set out above.

Vary the SBHG Floating Support Contract

6.3 SBHG has advised the council that the current contract terms are not sustainable. Initially, SBHG advised that they were looking to exit the service when the current contract expires on 30/9/14, however, it will not be possible to safely exit the service and have alternative arrangements in place by this date.

6.4 SBHG has subsequently agreed to reduce the capacity of the contract, which enables them to reduce their staffing levels so that the contract is financially sustainable until the end of the contract on 31/3/15. It is recommended that the service capacity is reduced from 40 to 20 households for the period 1/10/14-31/3/15 and the contract value varied as set out in paragraph 2.3 above delivering a £38.7K saving to the council in 2014-15.

6.5 An exit strategy has been developed and it has been identified that 50% of current cases can be safely closed over the next 2-3 months. SBHG will continue to receive new referrals up to their revised capacity of 20 households. The impact of the reduction in capacity will be offset by improved throughput, referrals to other appropriate services and better prioritisation of cases.

7. PROCUREMENT CODE IMPLICATIONS

7.1 The LBHF Contract Standing Orders states that providing that the original award report contains provision relating to exercising and optional extension provision these may be authorised by the relevant Cabinet Member where the total value of the extension is £20,000 or greater but does not exceed £100,000.

7.2 The total values of the extensions in this report are £33,501 and £70,612 and therefore approval is being sought from the Cabinet Member for Health and Social Care.

7.3 Procurement Implications completed by Sherifah Scott: Head of Procurement & Contracting (ASC) (020) 7641 8954 Verified by Joanna Angelides: Procurement Consultant 020 8753 2586.

8 CONSULTATION

- 8.1 No consultation has been carried out in connection with the recommendations contained in this report.

9 EQUALITY IMPLICATIONS

- 9.1 We are reducing the capacity of a service for women and therefore there is a negative impact on gender. However, this will be mitigated by improving the throughput of the existing service, referring cases to other services, where appropriate e.g counselling and other specialist domestic violence services such as ADVANCE and making capacity in other floating support services where necessary.

10. RISKS

- 10.1 There is a reputational risk to the Council if the current services end before the council has determined its future requirements and before an exit plan or new services are in place.
- 10.2 There are risks to the future contract arrangements if there is a delay to the review of the council's future commissioning requirements for VAWG services. It may be necessary to extend these contracts from 1/4/15 if new arrangements are not in place by 1/4/15.

11. LEGAL IMPLICATIONS

- 11.1 In view of the review of the services, it is necessary to extend the extant contracts as proposed so that the Council does not default on its obligations and suffers reputational risk as mentioned in this report. The Cabinet Member would have the authority under the Contract Standing Orders to approve these extensions.
- 11.2 Legal Implications completed by Babul Mukherjee: Contracts Solicitor 020 7361 3410

12. FINANCIAL AND RESOURCES IMPLICATIONS

- 12.1 The recommendation in paragraph 2.1 to extend and vary the contract for Shepherds Bush Housing Group Floating Support from 1st October 2014 to 31st March 2015 will cost £33,501 in 2014-15. The cost of the proposal for the period 1st October 2014 to 31st December 2014 is £18,398. The further recommendation to vary the annual contract price to £60,413 for the period 1st January 2015 to 31st March 2015 will cost £15,103.

12.2 The recommendation in paragraph 2.2 to extend the contract for Hestia Housing Floating Support from 1st October 2014 to 31st March 2015 will cost £70,612 in 2014-15.

12.3 Both the extensions can be met from the 2014-15 Supporting People general fund revenue budget.


	2014/15		2015/16		2016/17		Full year effect of proposals ie on-going effect
	Confirmed budget £	Costs of proposal £	Confirmed budget £	Costs of proposal £	Confirmed budget £	Costs of proposal £	£n/a
Revenue Implications							
Current Budgets							
Council Revenue budget	£104,113	£104,113					
External funding sources, e.g TfL, NHS etc.							
SUB TOTAL REVENUE BUDGET	£104,113	£104,113					
Start-up Costs							
Lifetime Costs	£104,113	£104,113					
Close-down Costs							
TOTAL REVENUE COST	£104,113	£104,113					
SAVINGS							

12.4 Financial implications completed by Cheryl Anglin-Thompson – Principal Accountant 020 875 4022.

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

None

Contact officer(s): Julia Copeland Commissioning Manager for Supported Housing
Julia.Copeland@lbhf.gov.uk
 020 8753 1203

	<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET MEMBER DECISION</p> <p style="text-align: center;">SEPTEMBER 2014</p>
<p style="text-align: center;">PROPOSED EXTENSION TO THE CIVICA PURCHASING SYSTEM CONTRACT</p>	
<p style="text-align: center;">Report of the Cabinet Member for Finance – Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p> <p>Key Decision: No</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Services</p>	
<p>Report Author: Caroline Wilkinson</p>	<p>Contact Details: Tel: 020 753 1813 E-mail: caroline.wilkinson@lbhf.gov.uk</p>

AUTHORISED BY:

The Cabinet member has signed this report
DATE: 14 September 2014

1. EXECUTIVE SUMMARY

- 1.1. The Civica IT system is used across the Council to purchase items, through the raising of a purchase order, and the subsequent goods receipting of that order when goods or services are received. The use of this purchase ordering system allows orders to be sent electronically to suppliers, an online audit trail of ordering and approval to be kept, and no need for manual coding or authorising of invoices for payments. This brings greater efficiency and control to the Council's purchasing.

- 1.2. The current Civica contract is managed via HFBP and expires on the 30th September 2014. When Managed Services goes live there will be no further need for the Civica system. Therefore no discussions about extending the contract had been entered into with Civica when the Managed Services go live was planned to be on the 1st September 2014. However, now that the go live has been delayed to the 1st April 2015, the Council needs to renew the Civica contract to ensure that it is operational until at least that date.

2. RECOMMENDATIONS

- 2.1. Agree a one year renewal to the Civica contract on a licence only basis, at an annual cost of £60,000.
- 2.2. That approval be given for support and maintenance spend, up to a maximum of £4,000, to be charged on a time and materials basis.
- 2.3. That £45,000 of this cost is met from the underspend on the Managed Services contract budget in 2014/15, and the remaining £19,000 balance is drawn down from the Managed Services reserve.

3. REASONS FOR DECISION

- 3.1. The Civica purchasing system is a key financial system which allows an effective and automated purchasing process. If the contract with Civica was not renewed, the Council would need to revert to an entirely manual purchasing and payment process with no online audit trail of purchasing and approval and would need to quickly re-work the means of communicating orders to suppliers.
- 3.2. However, given that Civica will only be needed until the 1st April it is recommended that the contract is renewed for the minimum period possible, which is one year. It is also recommended that the renewal is on a licence only basis, as the system has required almost no support from Civica over recent years, and therefore paying for a maintenance package is considered unnecessary. If required, there is an option to still purchase support and maintenance from Civica on a time and materials basis.

4. INTRODUCTION AND BACKGROUND

- 4.1. The Civica purchasing system contract is due to expire on the 30th September 2014. Following the decision to delay the go live of Managed Services to the 1st April 2015, it is necessary to renew this contract so that the Council's current purchasing practices can continue until that date.

4.2. This report details the options for renewing the Civica contract, with associated costs.

5. PROPOSAL AND ISSUES

5.1. This report contains a number of options around the future of the Civica purchasing system, balancing the cost implications with the risks to service continuity and resilience.

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1. The table below outlines the options put forward by HFBP following discussions with Civica, who provide the licences for the system. During negotiations a 6 month extension was requested, but Civica were not prepared to offer less than a one year extension.

	Licence, Support and Maintenance (£ pa)	Licence Only (£ pa)
Current Annual Cost	45,017	-
1 year Proposed cost	68,475	60,000
2 year Proposed cost	122,350	75,000

6.2 As this is a renewal beyond the original contract, Civica have proposed a price increase of £23,458 pa for the full licence, support and maintenance package.

6.3 However, it is proposed that the licence only option is selected as in the past year only 15 hours of support have been required from Civica. If this is purchased separately it is at a cost of £150 per hour, which would be a cost of £2,250 for 15 hours. As the system should only be active and in full use by the Council from the 1st October 2014 to the 31st March 2015, and not for the full year, this also minimises the likelihood of requiring support from Civica.

6.4 It is also recommended that only a one year renewal is agreed, as the system should not be needed by the Council after the 31st March 2015.

6.5 One further option would be to not renew the Civica contract at all. This option would mean that no further expenditure would be required, but is not recommended as:

- Without Civica there could be no purchase ordering or goods receipting of purchases across the Council. As a result, there would be no online audit trail of ordering and approvals, and no financial commitments on

the Council's financial ledger to support management of spend against budgets.

- All Council purchases would have to revert to a manual process whereby all invoices have to be stamped, coded, certified and authorised manually. This would significantly increase the workload of both services and the central payments team.
- New processes would have to be implemented urgently with suppliers to agree new ways of transmitting orders to them, as Civica's automated ordering process would no longer be available.

7. CONSULTATION

- 7.1. No consultation has taken place as this relates to the extension of a contract on an existing back office system which is only used by Council staff.

8. EQUALITY IMPLICATIONS

- 8.1. There are no equality implications as this relates to a back office administrative system which is only used by Council staff.
- 8.2. Implications verified/completed by: David Bennett, x1628

9. LEGAL IMPLICATIONS

- 9.1. There are no legal implications as this contract renewal would be undertaken through HFBP in accordance with existing agreements.
- 9.2. Implications verified/completed by: Babul Mukharjee, 0207 3613410

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The Council currently has an annual budget of £45,000 to pay for the Civica system. It was assumed in the Managed Services business case that no renewal would be necessary after September 2014, and that this budget could be used to pay the new BT (the service provider) contract costs instead.
- 10.2. However, due to the delay in the Managed Services go live to the 1st April 2015 no payments are being made to BT in 2014/15 and therefore the budget saved from the contract budget is available to be used to pay for this contract renewal. Base budget of £45,000 is therefore still available in 2014/15. However, an additional £19,000 would need to be drawn down from the Managed Services reserve to pay the full contract cost.

10.3. Andrew Lord, Head of Financial Strategy & Resources, x2531

11. RISK MANAGEMENT

- 11.1. Business resilience is a key strategic risk, risk number 2 on the Tri-borough risk register. Managed Services is a Westminster City Council led procurement however H&F remain ultimately responsible for the identification and assessment of risk together with planning and cataloguing of contingencies required due to the re-programming of Managed Services such as that it impacts on the Council.
- 11.2. By renewing the existing Civica contract there will be continuity of purchasing processes within the Council partially mitigating the risk as a result of the delay of implementing the new service. The renewal of licences will not require any changes to the way in which the system is housed or managed, thereby containing the risk of disruption to the service.
- 11.3. Implications verified by: Michael Sloniowski ext 2587.

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS


- 12.1. The contract will be renewed by HFBP on behalf of the Council, in line with our current agreed practice. As this IT contract renewal requires an increased level of expenditure, it is being taken for Cabinet Member Decision in line with agreed Council regulations and standing orders.
- 12.2. Implications verified/completed by: Geoff Hay, ext 4223

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.	Supporting papers from HFBP giving details of contract expiry dates and proposed contract renewal costs	Caroline Wilkinson x1813	FCS – Corporate Finance

LIST OF APPENDICES:

No appendices are attached

	London Borough of Hammersmith & Fulham CABINET MEMBER DECISION SEPTEMBER 2014
APPOINTMENT OF A COUNCIL REPRESENTATIVE ON THE CITIZENS ADVICE BUREAU BOARD OF TRUSTEES	
Report of the LEADER OF THE COUNCIL – Councillor Stephen Cowan.	
Open Report	
Classification - For Decision	
Key Decision: No	
Wards Affected: ALL	
Accountable Executive Director: Jane West, Executive Director Finance and Corporate Governance	
Report Author Kayode Adewumi Head of Governance and Scrutiny	Contact Details: Tel: 0208 753 2499 E-mail: kayode.adewumi@lbhf.gov.uk

AUTHORISED BY:

The Leader has signed this report

DATE: 4 September 2014

1. EXECUTIVE SUMMARY

- 1.1 This report records the Leader's decision to appoint a Council representative to the Board of Trustees of the Citizens Advice Bureau which falls within the scope of his executive portfolio.

2. RECOMMENDATIONS

- 2.1. That the Councillor Joe Carlebach be appointed as a Trustee for a period of four years effective from 1st August 2014.

3. REASONS FOR DECISION

- 3.1 The Council is fully committed to supporting the 3rd sector in Hammersmith & Fulham and understands the significant contribution that the services provided make to the social fabric of our borough. This appointment will strengthen the relationship with the CAB and will ensure closer partnership around a shared objective of promoting social inclusion and improving the lives of our residents.

4. INTRODUCTION AND BACKGROUND

- 4.1 The Council currently has Councillor Lisa Homan as a Council representative and Councillor Wesley Harcourt, in his private capacity, on the CAB Board of Trustees. The CAB approached the Council requesting for Councillor Joe Carlebach to be appointed a Trustees as he is actively involved in the local community and will bring a wealth of experience to the organisation.
- 4.2 In response to this request, the Leader is of the view that he will provide a positive contribution to the work of the organisation, and should therefore represent the Council in this regard.

5. PROPOSAL AND ISSUES

- 5.1 As above

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. Not applicable

7. LEGAL IMPLICATIONS

- 7.1 The Council Constitution gives the Leader the power to appoint representatives to outside bodies. Item 1.9 ('Scope of portfolio') states the following: "Appointing or nominating and where appropriate removing the Authority's representatives on appropriate organisations that fall within this portfolio".
- 7.2 Implications completed by: Tasnim Shawkat, Bi-Borough Director of Law
tel 020 8753 2088.

8. FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1. Not applicable.

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