



London Borough of Hammersmith & Fulham

Cabinet

Agenda

MONDAY
6 JULY 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 Ben Coleman, Cabinet Member for Commercial Revenue and Resident Satisfaction
Councillor Sue Fennimore, Cabinet Member for Social Inclusion
Councillor Wesley Harcourt, Cabinet Member for Environment, Transport & Residents Services
Councillor Lisa Homan, Cabinet Member for Housing
Councillor Andrew Jones, Cabinet Member for Economic Development and Regeneration
Councillor Vivienne Lukey, Cabinet Member for Health and Adult Social Care
Councillor Sue Macmillan, Cabinet Member for Children and Education
Councillor Max Schmid, Cabinet Member for Finance

Date Issued
26 June 2015

If you require further information relating to this agenda please contact: Kayode Adewumi, Head of Governance and Scrutiny, tel: 020 8753 2499 or email: kayode.adewumi@lbhf.gov.uk

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PUBLIC NOTICE

The Cabinet hereby gives notice of its intention to hold part of this meeting in private to consider items (19 to 28) 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.

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 **4-14** 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 1 July 2015**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 8 July 2015**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Monday 13 July 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 13 July 2015**.

Cabinet Agenda

6 July 2015

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

- 23. DIRECT HOUSING DELIVERY PROGRAMME AND SINGLE CONTRACTOR FRAMEWORK : EXEMPT ASPECTS (E)**
- 24. CARDIOVASCULAR DISEASE PREVENTION SERVICE : EXEMPT ASPECTS (E)**
- 25. PUBLIC HEALTH 0-5 YEARS SERVICES, DIRECT AWARD REPORT : EXEMPT ASPECTS (E)**
- 26. APPROVAL TO ESTABLISH A FRAMEWORK FOR THE PROVISION OF NEW TEMPORARY ACCOMMODATION AND ASSOCIATED MANAGEMENT SERVICES : EXEMPT ASPECTS (E)**
- 27. LEASE AGREEMENT - REQUEST FOR DELEGATED AUTHORITY : EXEMPT ASPECTS (E)**

Agenda Item 1

London Borough of Hammersmith & Fulham



Cabinet

Minutes

Monday 1 June 2015

PRESENT

Councillor Stephen Cowan, Leader of the Council
Councillor Michael Cartwright, Deputy Leader
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
Councillor Sue Macmillan, Cabinet Member for Children and Education

1. **MINUTES OF THE CABINET MEETING HELD ON 11 MAY 2015**

RESOLVED:

That the minutes of the meeting of the Cabinet held on 11th May 2015 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

2. **APOLOGIES FOR ABSENCE**

Apologies for Absence were received from Councillors Andrew Jones and Ben Coleman.

3. **DECLARATION OF INTERESTS**

There were no declarations of interest.

4. **TRAVEL CARE AND SUPPORT SERVICE ARRANGEMENTS**

In welcoming the report, Councillor Sue Macmillan gave a brief background outlining the purpose of the report and the proposed action by the Administration to tackle the failings of the passenger transport service for children who have special educational needs (SEN), looked after children and vulnerable adults commissioned in April 2014 by the previous Administration.

She stated that the new service model particularly during the initial weeks of operation faced immediate operational challenges leading to health and safety concerns, safeguarding concerns, delays in picking up and dropping off, unduly

lengthy journeys, serious communication issues, lack of correct equipment, turnover of staff and general issues of performance.

A number of parents outlined their concerns about the service to Members at the Children and Education Policy and Accountability Committee meeting on 8th July 2014. The Administration promised to resolve the identified problems. In response, a Passenger Transport Working Party for Children's Services was set up to advise the Council on how to secure the best quality of transport provision, which meets the needs of children concerned, within a budget which the Council deems affordable. Detailed consultation took place with service users, parents and carers to gather views on the Passenger Transport Working Party's recommendation to facilitate changes required to deliver a Travel Care and Support services.

The report outlined two options to improve service delivery arrangements for Travel Care and Support services. The Administration proposed a change to the existing delivery arrangements to improve service standards and sovereign accountability. This covered a revised vision for the service with emphasis on caring for and understanding travel and mobility needs, varying the Inter-Authority Agreement (IAA) between the Council, Westminster City Council (WCC) and the Royal Borough of Kensington and Chelsea (RBKC) to improve quality and performance standards, provide Travel Care and Support Commissioning Managers on-site with the providers to oversee operational delivery and performance, ensure Schools and parents play an increasing role in commissioning arrangements and that robust assurance management and contract management framework were in place.

She stated that the vision and aspiration for the Travel Care and Support service was first and foremost about caring for, and understanding the travel and mobility needs of vulnerable adults and children, rather than just about providing transport. If after 6 months the measures put in place does not prove successful in improving the service further consideration should be given to changing the delivery model of the Travel Care and Support service to return both transport and escort services to the management of the Council.

The Leader stated that he was shocked when he was informed of the poor level of service provided to residents particularly when he had been previously assured that all was going well. He commended the excellent leadership provided by the Members who had put a lot of effort to design a new delivery model and finding solutions to this perennial problem. There were real lessons to be learnt from this experience across the Council.

RESOLVED:

- 1.1 That improvements in the service delivery arrangements for the Travel Care and Support service can be achieved through **Option B**, including:
 - Revised vision for the service – emphasis on caring for and understanding travel and mobility needs.
 - Seeking to vary the Inter-Authority Agreement (IAA) between the Council, Westminster City Council (WCC) and the Royal Borough of Kensington and Chelsea (RBKC) (collectively the “three Boroughs”),

or associated contract arrangements for the Council, to improve quality and performance standards

- Travel Care and Support Commissioning Managers on-site with providers to oversee operational delivery and performance.
- School and parents to play an increasing role in commissioning arrangements.
- Robust assurance management and contract management framework.

1.2 That the following costs be approved:

- One-off implementation costs - £180,000
- Establishing new commissioning and management arrangements - £442,127 [for the first year] and thereafter £375,460 per annum.

1.3 That the recommendations in the exempt report be agreed.

1.4 That authority be delegated to the Cabinet Member for Children and Education and the Cabinet Member for Health and Adult Social Care to make ancillary decisions necessary to give effect to the above recommendations.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

5. APPROVAL OF HAMMERSMITH & FULHAM COMMUNITY INFRASTRUCTURE LEVY REGULATION 123 LIST

RESOLVED:

That approval be given to the Hammersmith & Fulham Community Infrastructure Levy regulation 123 list and that it shall take effect on 1 September 2015.

To note the approval of the CIL charging schedule by Full Council on 20 May 2015 and its resolution to take effect on 1 September 2015.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

6. PROPERTY ASSET DATA MANAGEMENT - PROPOSED CALL-OFF

RESOLVED:

- 1.1 That the Council call off Lot 3 of the Managed Services Programme Framework Agreement for the provision of Property Asset Data Management Systems and Services, and enter into a call-off contract with Technology Forge Limited for a term of five-years with an option to extend for a further 3 years at an annual cost of £84,000 in year 1 and £74,000 per annum thereafter, be approved.
- 1.2 That approval be given to enter into a form of agreement with HFBP to contract manage the above call-off contract on its behalf in accordance with the IT Service Contract.
- 1.3 That authority be delegated to the Cabinet Member for Finance in consultation with the Executive Director of Transport and Technical Services to exercise the option to extend the above call-off contract in line with the provisions set out in the call-off contract.

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.

7. AGREEMENT FOR THE DIRECT AWARD OF DAY SERVICES FOR PEOPLE WITH DEMENTIA

RESOLVED:

- 1.1 That a waiver of the Council's Contract Standing Orders be approved in order to directly award two contracts from 1 June 2015 to 30 November 2016 to the incumbent service providers as out below in the table below.

Service Provider	Service Name	Description	Annual Contract Cost	Proposed Contract Cost	Total Contract Value
Alzheimer's Society	St. Vincent's Day Centre	Day Services for People with Dementia	£319,600	£305,857	£458,785
Housing and Care 21	Activity Plus	Community Based Outreach Service	£140,000	£140,000	£210,000

- 1.2 That both contracts include a break clause, which would allow the Council to terminate the agreement with 3 months written notice, be agreed.

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.

8. FORWARD PLAN OF KEY DECISIONS

The Key Decision List was noted.

9. 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.]

10. **EXEMPT MINUTES OF THE CABINET MEETING HELD ON 11 MAY 2015 (E)**

RESOLVED:

That the minutes of the meeting of the Cabinet held on 11th May 2015 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

11. **TRAVEL CARE AND SUPPORT SERVICE ARRANGEMENTS : EXEMPT ASPECTS (E)**

RESOLVED:

That the recommendations in the exempt report, be agreed.

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.

12. **AGREEMENT FOR THE DIRECT AWARD OF DAY SERVICES FOR PEOPLE WITH DEMENTIA : EXEMPT ASPECTS (E)**

RESOLVED:

That Appendix 1 attached to the report, be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

13. **PROPERTY ASSET DATA MANAGEMENT - PROPOSED CALL-OFF :
EXEMPT ASPECTS (E)**

RESOLVED:

That the report be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:


None.

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

None.

Meeting started: 7.00 pm
Meeting ended: 7.14 pm

Chair

	London Borough of Hammersmith & Fulham CABINET 6 JULY 2015
DELIVERING THE SCHOOLS CAPITAL PROGRAMME – WINDOWS REPLACEMENT	
Report of the Cabinet Member for Children and Education – Councillor Sue Macmillan	
Open report	
Classification: For Decision Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director Andrew Christie – Executive Director Children’s Services	
Report Author: Dave McNamara – Tri-borough Director of Finance & Resources (Children’s Services)	Contact Details: Tel: 020 (8753 3404) E-mail: (dave.mcnamara@lbhf.gov.uk)

1. EXECUTIVE SUMMARY

- 1.1. This report establishes an affordable programme for the replacement/repair of windows in the council’s maintained schools.

2. RECOMMENDATIONS

- 2.1 That the creation and funding of a capital programme for the replacement and/or repair of windows in the borough’s maintained schools for which the Council is the responsible body, be approved.
- 2.2 That the cost of this capital programme be funded through prudential borrowing, or such other routes as established by the Council’s section 151 officer, and that repayments are financed through future capital allocations from the EFA and a top-slice of the schools maintenance budget (DSG).
- 2.3 That the commissioning of 3BM Ltd. to project manage on behalf of the Council the procurement of a framework contract from which suitably qualified providers can be competitively sourced to install and maintain the new windows in H&F schools where these are required, be approved.

- 2.4 That the appointment of 3BM Ltd to project manage each subsequent call-off made from the framework, and the delivery of the individual projects, be approved.
- 2.5 That Addison Primary school (for reasons described in paragraph 4.2.4 of the report) be prioritised and procured separately, in advance of the establishment of the framework.
- 2.6 That the commissioning of 3BM Ltd to project manage the procurement of a suitably qualified provider for the immediate works at Addison school, be approved.
- 2.7 That the inclusion of Social Value and local economic considerations as part of the criteria for award of the Addison school contract and for inclusion on the larger framework and award of call-offs from it as well as the requirement to provide work experience opportunities for students from the borough's schools, be approved.
- 2.8 That the award of the framework be approved.
- 2.9 Prior approval to delegate the award of the Addison school contract to the Leader and Cabinet Member, as per 12.6.1 of the Council's Contracts Standing Orders.
- 2.10 Prior approval to award call-off contracts from the framework that are less than £1m to the Cabinet Member for Children and Education, and those that are more than £1m and less than £5m to The Leader and Cabinet Member for Children and Education.

3. REASONS FOR DECISION

- 3.1. There is a need to invest in the school estate following lack of capital investment previously. This capital investment should be seen as a reflection of the administration's support for the borough's schools and the improvement in the learning environment for its children that such a programme would represent.
- 3.2. Lack of capital investment, poor maintenance and general ageing mean that a number of windows in the borough's schools are dangerous, have to be constantly monitored and need replacement. Without this course of action it is likely that schools will have to increase their maintenance regime to identify and repair an increasing number of dangerous windows.
- 3.3. Historically, school capital maintenance has been funded from allocations received from the DfE/EFA supplemented by a top-slice of the schools maintenance budget (DSG).
- 3.4. The current situation is that the main allocations for local authorities, Voluntary Aided partnerships, multi-academy trusts and non-maintained special schools and specialist providers, together with funding allocated to academies and sixth-form colleges through the Condition Improvement Fund, are made via School Condition Allocations. The budget has been set at

£1.2bn a year for each of the next 3 years and responsible bodies will get a 3-year indicative allocation from the model.

- 3.5. The 2015-16 School Condition Allocations for Hammersmith and Fulham is £1,267,112 and is indicative of what we will also receive in 2016-17 and 2017-18. This level of funding is insufficient to improve the condition of the school estate and to allow the phasing of a replacement programme over a period of time that will provide assurance that the windows will be safe.
- 3.6. In aggregating the individual projects into a single programme it is expected that significant procurement savings can be achieved.
- 3.7. The convergence of three factors mean that this is the appropriate time to make a significant investment in the school estate and to improve the learning environment of children in the borough. Historic low interest rates, with the prospect of increasing construction costs and deteriorating school condition means that this is the optimum time to make the investment for the Council to extract maximum benefit for its schools.

4. INTRODUCTION AND BACKGROUND

4.1. Background

- 4.1.1. The London Borough of Hammersmith and Fulham have a large number of Victorian and Edwardian schools of similar period design with single glazed timber windows that have now reached the end of their effective operational life
- 4.1.2. Over the last 6 years the authority has received significant capital allocations from the Department for Education and Education Funding Agency but this has been targeted to the expansion of popular schools, and limited investment in suitability issues to support safeguarding and curriculum delivery.
- 4.1.3. From 2008 the unprecedented increase in demand for primary school places, which arose through a combination of the increased birth rate and the impact of the recession , required almost a 30% increase in capacity within the school estate. The Authority decided to target the majority of its capital resources towards school expansions (predominantly in the primary phase) and addressing areas where school capacities / facilities were impacting on educational standards.
- 4.1.4. With the pressure to deliver the capacity increases as a priority, the school building condition work was restricted to the minimum required to ensure that the Council met its health and safety responsibilities and schools remained “windproof and watertight”, thus preventing school closures through building failures.

4.2. Establishing the Need

- 4.2.1. The Health and Safety at Work Act 1974 requires employers to protect their employees at work. In schools, it also requires that 'pupils, visitors and all

other persons are protected from harm to their health and safety from known or foreseeable risks so far as is reasonably practicable'.

- 4.2.2. The Council is the employer with regard to community schools and there is increasing concern that the condition of windows in H&F maintained schools continues to deteriorate and that without significant capital investment schools will be required to increase their day to day maintenance expenditure to avoid emergency measures to repair windows, and avoid increasing the risk of accidents.
- 4.2.3. The external schools' condition surveys, carried out in 2010/11 by EC Harris, and 2014/15 by 3BM, identified varying levels of need for window replacement/repairs particularly in the Victorian and Edwardian listed buildings which make up the majority of the school estate. The earlier programme of surveys identified priority works needed to keep buildings safe over a five year period (2010 – 2015)
- 4.2.4. Of particular concern are the windows at Addison school where exposed school elevations to the north, south and particularly the east have increased the risk of window failure and consequential damage and personal risk.
- 4.2.5. Due to funding constraints and the lack of prioritisation previously it has not been possible to progress these works and in the intervening period the windows will undoubtedly have deteriorated further. It is not possible to predict when there will be a window failure but the purpose of a planned maintenance programme is to prevent this from happening.

4.3. **Funding Background**

- 4.3.1. Recommendations in this report relate to the need to address the issue of condition of windows in the Council's Victorian schools. Since the cancellation of the Building Schools for the Future programme DfE funding has targeted Basic Need i.e. the provision of sufficient school places over the condition of existing school buildings. What funding that has been made available for condition has been targeted at specific schools "in immediate danger of collapse" rather than providing sufficient capital to allow authorities to invest in the upkeep of their schools.
- 4.3.2. In Hammersmith & Fulham, condition surveys were last undertaken in 2011-12 and identified a 5 year programme of necessary works, subject to the availability of funding. The SCHOOLS ORGANISATION STRATEGY 2012/13 agreed at Cabinet in January 2013 allocated £7.77m of the LA 2012-13 Additional Basic Needs grant to address a number of condition issues across the school estate. This allocation was in addition to the £5.02m maintenance grant that the authority has received since 2012 which has been used on priority issues since then. Of the £1.48m Maintenance Grant received for 2014-15 £800k has been set aside to fund essential Asbestos works, the remainder is used for essential Health and Safety works.

- 4.3.3. The scope and criteria of Government funding is set out below in that it sets out the difficulty in obtaining sufficient funding. Without access to the necessary funds to maintain the school estate the condition of schools in the borough has deteriorated.
- 4.3.4. Two former council-maintained schools: Fulham College Boys; and the Alternative Provision School in Finlay Street; have both benefited from funding through targeted capital programmes provided by the EFA but which is only aimed at academies.
- 4.3.5. There is little optimism that the Council will be able to influence the EFA to secure additional funding for a windows replacement programme.

4.4. Planning Considerations

- 4.4.1. Of particular concern is the condition of traditional windows in a number of schools, especially Victorian and Edwardian London Board Schools, the majority of which have a form of planning protection in terms of being listed, or being in conservation areas and can not be exempted from the Council's general development management policies. An attempt to access funding for a programme of works through the Priority schools Building Programme was ruled out of order by the EFA. The specific consideration of planning issues are considered later in the report.

5. PROPOSAL AND ISSUES

5.1. School Windows

- 5.1.1. New surveys are being commissioned to ascertain the degree of deterioration over the last few years. Applying a prudent estimate for the replacement of wooden frame windows and scaffolding costs of approximated £250,000 the following sets out the summarised position of the Victorian Board schools that require replacement. The detailed schools are set out in Appendix 1. Included in the list are two schools that are due to convert in to academies during 2015 (Langford and New King's).

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. The scale of the proposed expenditure is significant and in reaching a recommendation officers have given consideration to the phasing of the programme and alternative options in relation to the total cost and how this would be affordable to allow the administration sufficient flexibility to invest in other school priorities. These are set out below:

6.2. Reactive Maintenance Solution

- 6.2.1. This would involve undertaking a programme that attempts to either repair or replace a proportion of the more dangerous windows. This would seek to keep costs significantly lower (broadly 50%) in the current cycle.
- 6.2.2. However the whole life costs of this approach would be significantly greater to the public purse and individual schools within the borough. An approach of ad-hoc replacement would not only be financially inefficient, it would also

increase the negative impact on teaching and learning with constant disruption over a prolonged period of years – as opposed to a focused programme.

- 6.2.3. Implementing a short term approach would create multiple areas of inefficiency in the process: the corresponding costs, both financial and its impact on teaching and learning are multiplied by requiring more frequent disruption due to classroom decants and re-instatement of scaffolding to replace and repair ad hoc windows, across different floors / elevations. There would also be a negative visual impact whereby buildings could have a variety of single and double glazed windows in varying states of repair,
- 6.2.4. Other factors, such as the impracticality of accurate individual window surveys until the scaffolding is in place, and the potential for hidden defects such as dry rot, require larger contingency sums. There would also be difficulties in relation to warranties and guarantees through ad hoc replacements and the subjectivity of what constitutes a window to repair / replace result. All of these factors contribute to a high life cycle costing for a single school.
- 6.2.5. 3BM were commissioned to exemplify the difference in costs of the various approaches, using Addison Primary School as an exemplar, being consistent with the other schools identified as part of this report. The outcome of this exercise established that the cost of a life cycle approach would be circa £6m through a reactive approach of replacing small sections over a continuous cycle over 60 years as compared with £3.65m to £4.05m through a full replacement approach. (Top Grade Timber windows/ uPVC)

6.3. **Choice of Material**

- 6.3.1. The choice of material has often been considered as a significant price consideration with uPVC suggested as the best value long term solution for window replacement. This created significant planning risks (especially in relation to Listed Buildings) which is considered later in the report. Further analysis has suggested that any price differential in relation to uPVC has been overstated. Analysis undertaken by 3BM has identified the following:

Comparative Projected Service Life

uPVC	25-35 years
High Performance timber years	56-65 years

As such, although uPVC has the lowest initial capital cost, high performance timber frames have the lowest lifetime cost for urban/suburban property locations.

- 6.3.2. CO² savings on high performance timber against uPVC could save a projected 160kgs CO² over 60 years in average conditions. Energy financial savings are dependant of building usage and energy cost. These CO² savings would contribute towards the Council wide carbon reduction targets

- 6.3.3. The principal concerns relate to the environmental and potential H&S impacts caused by the constituent chemicals both in production and at “end of life” disposal. uPVC products are manufactured using a number of chemicals with known health risks.

6.4. **Combined Approach**

When considering the above, factoring in that a reactive approach to ad hoc window replacement requires:

- a) Minimum scaffolding cycle of 2 – 3 years to deal with identified local failures on a purely reactive basis; and
- b) There would be no single warranty or repair life guarantee available for the repaired windows and there will be difficulties in procuring continuity of workmanship with a risk of different contractors winning respective “work phases” making accountability complex.

A comparison of the 3 approaches is as follows:

6.5. **Comparison of Window Options**

- 6.5.1. The estimated life cycle costs of the **repairing** of ad-hoc windows in the order of £5- £6m per school site based on detailed assessment of current condition of Addison School.
- 6.5.2. The estimated cost of uPVC over 60 years would be broadly £4.052m per school site reflecting the need for a year 15 and year 45 thorough check and invariable sealed glass unit replacements etc. and a full replacement of all windows in year 30. This reflects a maintenance cost of £2.82m over 60 years
- 6.5.3. The estimated cost of repainting the timber windows on a 10 year maintenance cycle gives a life cycle cost of £3.645m per school site. This reflects a maintenance cost of £2.11m over 60 years.

6.6. **Conclusion of Options**

The life cycle costs achieved by undertaking an ad-hoc programme of small window replacement programmes will create an on-going pressure that will ultimately cost the Council significantly more in the longer term. It also does not fully enable us to be confident that the windows (and just as importantly the metal fixtures and fittings around the roofing, guttering and downpipes of the triple decker Victorian Buildings that also have not been robustly and physically checked for many years) are secure, safe, and fit for purpose. In addition there are long term efficiencies and benefits to be achieved by undertaking a borough-wide programme. All the windows will be guaranteed and future maintenance/repair programmes will deliver an efficient use of scaffolding and associated costs which are the key driver of the lifecycle maintenance cost.

- 6.6.1. By undertaking a single programme it is believed that efficiencies can be derived by the supply chain due to the volume being procured.

- 6.6.2. By committing to undertake this programme, the Council have demonstrated its prioritisation and it will assist in lobbying the EFA for additional condition funding and also strengthen negotiations for developer contributions to education capital funding.
- 6.6.3. Currently no physical inspection has been made of all the metal fixtures including guttering, downpipes, fascia's and soffits
- 6.6.4. As landlord of the schools, statutory responsibility ultimately sits with the Council and we need to fulfil statutory obligations. It is not transparent how the EFA funding decisions prioritises individual academies, and in more recent years local authorities' capital allocations and the relationship with academies is becoming very grey.

7. PROPOSED APPROACH

- 7.1. By adopting a holistic strategy of window replacement and associated works, the Council can demonstrate a strong commitment to meeting its landlord's obligations by establishing a prioritised programme of works that addresses the highest need first, whilst achieving cost efficiencies for the public purse.
- 7.2. **Procurement**
 - 7.2.1. There is a recognised need to address the condition of Addison windows within a timely period but this could conflict with the overall cost benefits of a borough-wide window upgrade/replacement programme. 3BM were requested to obtain indicative costings for the replacement of windows at Addison school through initial soft market testing at Addison School (the top priority as assessed by the EC Harris surveys). The results from that process have been reflected in the estimates contained within this report and give assurance that the cost estimates used will reflect broadly the tender values expected.
 - 7.2.2. It is recommended that a rolling programme is commenced with Addison being the first school and that authority is delegated to the Cabinet Member in Consultation with the Children's Director of Finance to prioritise the remaining schools over the next three years in line with their condition and deliverability of respective programmes.
 - 7.2.3. It is suggested that 3BM are tasked to develop a 2 pronged approach:
 - 7.2.4. Undertake a tender process to create a framework of manufacturers, joiners, carpenters and installers to repair existing timber windows and/or supply and fit the treated timber windows. This will enable a single approach to ensuring that contractors can confirm in advance their adherence to the JCT contract including LBHF's amendments, enable a pool to be used to then individually bid the respective school projects as the Cabinet Member and Director of Children's Finance have approved their inclusion. 3BM to then implement the contract on the Councils behalf and project manage the delivery. By creating a smaller pool, further efficiencies will be derived from each individual school project as the successful framework bidders will be competing with an improved likelihood of success. This approach will also

encourage smaller and medium size local contractors to be successful through the framework, to help further the development of the local economy. The single approach to contracts will use the industry standard JCT contract with minimal changes in order to further protect the Council's interests.

- 7.2.5. Alongside the creation of the framework, that Addison school initial tender is concluded and the same JCT contract approach is used to start the programme of window replacement. The successful contractor would still need to submit a tender to be included on the broader framework.

7.3. Funding

- 7.3.1. The revenue funding is ring fenced from the £1.427m currently used within the Dedicated Schools Grant to support the annual revenue maintenance programme. Given the need to undertake this programme, this will be pared back to £0.7m and only urgent Health and Safety works will be undertaken.

- 7.3.2. This approach is affordable as the Council has almost concluded the four year rolling programme of major asbestos removals and the future burden in this area is decreasing and as more schools convert to Academies, the new guidance places a greater emphasis on the school trustees to maintain their stock rather than the local Authority.

8. CONSULTATION

- 8.1. As part of the funding decision making process, projects considered for funding under this draft strategy have been discussed at Cabinet Member briefings, and the schools in question have been visited by Cabinet Members and/or Council officers to appraise the merit of the projects for funding.
- 8.2. Schools Forum will be consulted on the proposed approach but the final decision as to how the capital allocation and maintenance funding is applied is a decision of the local authority.

9. PLANNING IMPLICATIONS

- 9.1. 9.1 Traditional windows make a significant contribution to the overall significance of a building and for most listed buildings and those in Conservation Areas, surviving historic fenestration is an irreplaceable resource which should be conserved and repaired wherever possible. It is therefore welcomed that the recommendation in this report is for use of timber windows in these schools rather than PVC-u (Poly Vinyl Chloride unplasticised) which are unsuitable for older buildings as their design, detailing and operation make them look very different to traditional windows.

- 9.2. 9.2 Appendix 1 of the report lists the schools that have the most urgent need for repairs. Eleven of the twelve identified schools are designated heritage assets. Five of these schools are Grade II listed buildings, four are Buildings of Merit, two are in Conservation Areas leaving one school without being formally designated a heritage asset. Retention and repair of traditional windows, unless they are beyond repair, should always be an option that is

initially considered, but this is particularly the case for listed buildings. Like for like replacements should be a fall back position. Dependent on the condition of existing windows, traditional windows can often (but not always) be simply and economically repaired usually at a cost significantly less than replacement.

- 10.** 9.3 Listed Building Consent is required for any changes to features of architectural or historic interest to a listed building, including works to windows. There is a risk that applications for Listed Building Consent for replacement windows to statutory listed buildings, even with single glazed timber windows, may not be looked at favourably by the Secretary of State (SoS), or Listed Building Consent may only be granted for single glazed timber windows. The council cannot determine its own applications for Listed Building Consent and they have to be referred to the SoS for decision. Any such listed building consent applications for replacement windows (including secondary or double glazing) would require a robust justification for replacement set out in the application documentation, drawing on the information from the relevant condition surveys

EQUALITY IMPLICATIONS

- 10.1. The delivery of the projects proposed within this report, will have a positive impact on the residents of Hammersmith and Fulham, with children of school age, as it is an integral part of an all-encompassing strategy for all learners in the borough. The project will provide a safe learning environment for children of local schools, regardless of race, gender, disability, or religious belief.

11. LEGAL IMPLICATIONS

- 11.1. The procurement of the Framework Agreement will need to be conducted in compliance with the EU requirements as set out in the Public Contracts Regulations 2015 (Regulations). The award of any call-off contract under the Framework Agreement will need to be made in accordance with Regulation 33 of the Public Contracts Regulations 2015.
- 11.2. In relation to the procurement of the works at Addison School, it is noted that the total value of the proposed works contract is of a value of £1.4m; thus the procurement is not subject to the main provisions of the Regulations, however it will be required to comply with Part 4 of the Regulations and the EU Treaty principles, if there is cross-border interest.
- 11.3. It is understood that the proposed commissioning of 3BM Ltd. to act on behalf of the Council and schools in the borough in project managing schools-related procurements is provided for under the Contract Notice that was published by the Council when creating the employee-led mutual.

Implications completed by: Kar-Yee Chan, Solicitor (Contracts), Shared Legal Services, 020 8753 2772.”

12. FINANCIAL AND RESOURCES IMPLICATIONS

- 12.1. The proposal relies upon historic conditions to support capital investment in infrastructure. This requires the borrowing of £20m to fund the capital works over a three year period with the investment to be paid of over 25 years.
- 12.2. This proposal would increase the Council's headline debt measure – the Capital Finance Requirement (CFR) - by £20m. This would give rise to an annual MRP charge in the General Fund, which based on a 25 year asset life, would represent a charge of 4%. The MRP payments have the effect of setting aside capital repayments over the life of the asset.
- 12.3. It is not envisioned, in the first instance, that that the Council would need to borrow externally, however since the increase in the CFR represents an increase in the underlying need to borrow it is recommended that a reasonable interest rate is also applied. This could be based on a number of measures including the Council's current and future investment rate (in effect the opportunity cost - this would need to be reasonably estimated over the life of the project; the current yield on 25-year GILTS may be seen as a reasonable proxy), the current PWLB rate for 25-year debt or the Council's current consolidated loans rate.
- 12.4. Assuming an approach of MRP plus investment rate, the annualised cost of funding the investment would be approximately 6.75% p.a. including repayment of capital. The annual revenue cost of such an approach would be £1.35m. The proposal is that this would be financed from a mixture of DfE grant and a top-slice of the dedicated schools grant (DSG). Seeing as the costs will be borne through the debt management function it is recommended that budget be transferred from appropriate Education budgets to the net cost of borrowing budget.
- 12.5. Where schools become academies in the future the Council should require that continued contribution to cover the cost of the scheme are reflected in the Commercial Terms Agreement (CTA) of the Academy transfer.
- 12.6. This proposal is based on an assumption that the current financing regime continues into the future and the Council will continue to be able to apply a capital top-slice to the DSG.

Implications completed by: Chris Harris, Head of Corporate Accountancy & Capital, 0208 753 6440

13. RISK MANAGEMENT

- 13.1. The Children's Services Department maintain a risk management system that includes the recording and periodic review of risk. The proposals recommends improvements to safety, noted on the Shared Services Risk Register, risk number 8. Specific details concerning risk of window failure are expressed in 4.2. Managing statutory responsibilities with schools, the Local Authority as Landlord is responsible is a Strategic Risk, risk number 14 of the Shared Services Risk Register.

Comments provided by: Michael Sloniowski, Bi-borough Risk Manager 020-8753-2587.

14. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 14.1 The need and business case for a planned - as opposed to a reactive - capital programme for the replacement and/or repair of potentially dangerous and unsafe windows in the borough's schools for which the Council is responsible, is well made in the report, and the Director for Procurement and IT Strategy supports the recommendation to create a Framework contract from which suitably qualified providers can be invited to deliver this programme.
- 14.2 (As drafted 11th June) Paragraphs 7.2.3-7.2.5 of the report suggest a possible two-prong procurement approach: tendering an initial contract for the urgent replacement of windows at Addison School, followed by a further procurement for the borough-wide Framework; on which it is suggested the successful provider for the Addison contract could be included without them having to re-tender to gain inclusion on to it.
- 14.3 The Director of Procurement and IT Strategy:-
- supports the immediate prioritisation of procuring a contract for Addison school;
 - supports the creation of a H&F framework contract from which suitably qualified providers can supply, install and repair windows in other schools;
 - supports the commissioning of 3BM to project manage these procurements on behalf of the Council and schools in the borough;
 - cannot support the automatic placing of the successful provider for the Addison contract on to the later procured framework –
- for the following reasons.
- 14.4 The need for urgent action at Addison school is described in paragraph 4.2.4 of this report. Ideally, the sourcing of a contractor for the Addison works would come from the framework, once this has been created, in order to optimise potential efficiencies from economies of scale and lower process costs. The creation of such a framework able to service all similarly affected schools in the borough, however, will take time; 3BM believe the end-to-end process for creating a good quality, robust and vfm framework of suitably qualified providers for all of the affected schools and, once awarded, being able to call-off from it, could take until the end of this calendar year or early next. The sourcing of a provider to undertake the works at Addison, however, could be done fairly quickly if the Council is able to use an existing framework.
- 14.5 The estimated financial value of the Addison contract work is, at £1.3m, well below the EU threshold of £4.322m requiring advertisement of the works. The value of the Framework, however, will be well above this. It will need to be advertised in the EU and follow a fully regulated competition under the Public Contracts Regulations 2015. The Addison and framework contracts will therefore need to be treated as two separate procurement exercises. If

an Addison contract is tendered separately, whoever wins that will have to re-tender for the Framework.

- 14.6 Whichever way the Addison contract is sourced (via an existing framework or by a bespoke procurement) the Director advises that, in order to incentivise good quality and vfm bids for the Addison contract, the advert and invitation to tender should communicate clearly to the market the forthcoming larger framework, the Council's objectives and timetable for tendering it. This may help mitigate any potential loss of efficiency gains from having to tender the two contracts separately.
- 14.7 The direct commissioning of 3BM Ltd. to act on behalf of the Council and schools in the borough in project managing schools-related procurements is provided for in section II.1.5 of the contract notice posted in the Official Journal of the European Union (OJEU) prior to the creation of 3BM.
- 14.8 Where H&F is the contracting authority and 3BM are acting on the Council's behalf as technical agents in carrying out a procurement, 3BM need to ensure compliance with the Public Contracts Regulations 2015 where they apply, as well as the Council's Contracts Standing Orders. This must include the recording and keeping of key procurement strategy decisions in line with Regulation 84 and CSO 18, and the Council's Procurement and Legal Services teams will advise 3BM on compliance with these. If a school, rather than the Council, act as the contracting body, the school's governing body will be required to demonstrate Best Value in the procurement outcome.
- 14.9 Should Cabinet wish to give prior approval to delegate call-offs from the framework to the Cabinet Member for Children and Education for contracts below £1m, and to the Leader and Cabinet Member for contracts between £1m-£5m, this is provided for in section 12.6.-12.6.1 of the Council's Contracts Standing Orders, so long the tendered sum is within budget.
- 14.10 The Public Services (Social Value) Act 2012 requires the Council to consider how Social Value might be obtained from how it commissions and procures its contracts, such as possible opportunities for local small businesses in the supply chain, and employment and training opportunities for local residents. The Director also supports the report's recommendations to consider the seeking of these where possible and of benefit to the Council and local community.

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

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

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

Appendix 01 – List of Victorian Board Schools

Condition Priority

D = Life Expired	1 = Immediate (<1 year)
C = Poor	2 = Urgent Priority 2 (1-2 years)
B = Fair	3 = Urgent Priority 3 (3-5 years)
A = Good	4 = Non-Urgent (>5 years)

1. Addison Primary School: ECH Condition category 2011 D1
2. Miles Coverdale: ECH Condition category 2011 C3/B2
3. Brackenbury Primary School: ECH Condition category 2011 C3
4. Fulham Primary School: ECH Condition category 2011 C3
5. Kenmont: ECH Condition category 2011 C2
6. Peterborough (Marie D): ECH Condition category 2011 C2
7. Langford: ECH Condition category 2011 C3
8. New Kings: ECH Condition category 2011 B3
9. Melcombe: ECH Condition category 2011 B3
10. Queens Manor: ECH Condition category 2011 C2 overhauled 2012/13
11. Wormholt Park: ECH Condition category 2011 C3
12. William Morris Sixth Form: ECH Condition category 2011 C3/B3

	<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">Cabinet</p> <p style="text-align: center;">6 JULY 2015</p>
<p>HAMMERSMITH PARK SPORTS FACILITY</p>	
<p>Report of the Cabinet Member for Economic Development and Regeneration : Councillor Andrew Jones</p>	
<p>Open Report</p> <p>A separate report on the exempt Cabinet agenda provides exempt information in connection with this report.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: Shepherd's Bush, Wormholt, and White City</p>	
<p>Accountable Executive Director: Lyn Carpenter, Executive Director for Environment, Leisure and Resident's Services</p>	
<p>Report Author: Ullash Karia, Acting Director and Head of Leisure & Parks</p>	<p>Contact Details: Tel: 020 7938 8171 ullash.karia@rbkc.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report seeks Cabinet approval to vary the contract awarded to PlayFootball in July 2011 for the development and management of sports facilities in Hammersmith Park. The contract variations, if approved, will;
- reduce the current contract period from a 35 year lease to a management contract of 7 years, with an option to continue for a further 7 years subject to a review of contract performance;
 - reflect local community and park users concerns and representations as determined by the new consultation process;

- ensure that free usage rights of local residents are provided;
- offer free use for schools in the White City area during school hours;
- provide a varied offer of sports provision including football, tennis, Multi Use Games Area (MUGA) and outdoor gym.

1.2 A decision to vary the current contract with PlayFootball is needed in order to secure local community support based on a new consultation process, commence the refurbishment, and bring the sports facilities in this important local park back into public use

1.3 PlayFootball have indicated their agreement to the contract variation described in this report, which have been considered with regard to the Public Contracts Regulations 2006 (as amended).

1.4 The remainder of this report:

- briefly describes the original procurement and previous Cabinet decision;
- summarises community concerns expressed post-contract award regarding Hammersmith Park's future;
- reports the outcome of new community consultation;
- describes the contract variations proposed; and
- identifies the implications of not delivering the scheme and the potential impact on the council.

2. RECOMMENDATIONS

2.1 That approval be given to the following variations to the Council's contract with PlayFootball for the development and provision of sports and leisure management services at Hammersmith Park namely:

- The new sports and associated facilities at Hammersmith Park (namely ten 5-a-side football pitches, a clubhouse with pavilion and park café, a small car park, two refurbished tennis courts and MUGA).
- That the 35-year lease and concession awarded to PlayFootball on 18th July 2011, signed and executed noon 28th September 2012, be amended to a management agreement for a period of 7 years, with an option to extend for a further 7 years subject to a review that demonstrates that PlayFootball have delivered the contract terms.
- That the revised contract term commences 31st July 2015.
- Cabinet commits the council to consulting with the residents if there is to be any change to the arrangements proposed in this report in the future
- The Final Negotiated Terms of opening hours and financial business plan will be delegated to the Leader of the Council, the Cabinet Member for Regeneration and Arts in consultation with the Executive Director for ELRS.

3. REASONS FOR DECISION

- 3.1 The Administration's Manifesto commitment it clearly states that "*The council should be a trusted custodian of our parks. Instead Hammersmith Park was signed to private developers, who now charge £60 for football where it used to be free*". The Administration expressed significant concerns about the previous Administration's procurement approach which resulted in Hammersmith Park being given away and privatised. The principles upon which the negotiations with PlayFootball have been undertaken are:
- Regain council control of Hammersmith Park;
 - Provide a comprehensive sports facility for the community;
 - And respond positively to community concerns about operational matters, opening hours etc.
- 3.2 There is therefore a clear commitment, to deliver a sports facility that is acceptable to the local community and find a solution at minimal cost to the Council.
- 3.3 Award of the contract in July 2011 was followed by local community and park users' opposition to the proposed scheme, and two separate Judicial Reviews (JRs). As a consequence of the uncertainty and delays caused by the JR's, the much-needed refurbishment of the sports facilities at Hammersmith Park has not been carried out.
- 3.4 PlayFootball have the right to build and operate their current football scheme. They have said that if the current negotiations with the council fail, then they will consider their option to go ahead with their existing larger scheme. This will be subject to the outcome of the stayed JR. PlayFootball have all the relevant legal permissions to proceed with the larger scheme.
- 3.5 The reason for the requirement to consult on any changes is to ensure that the community have a say in any future changes to the scheme

4. INTRODUCTION AND BACKGROUND

- 4.1 The Council granted planning permission to redevelop the existing leisure facilities at this site in March 2014. The Council and PlayFootball entered into an agreement under section 106 of the Town and Country Planning Act 1990.
- 4.2 By an agreement for lease and an agreement for the provision of Leisure Management Services both dated 28 September 2012 and made between the Council (1) and PlayFootball (2) (as subsequently varied) it was agreed that PlayFootball would construct the new facility and on completion of the construction of the facilities, the Council would grant to PlayFootball a lease of the new facility for a term of 35 years.
- 4.3 Playfootball have not commenced works at present as Judicial Review proceedings have been issued in connection with the planning permission; the proceedings are currently stayed until 10 July 2015 to enable parties to work together and reach a satisfactory conclusion.

THE PARK AND ITS SPORTS FACILITIES

- 4.4 The original all-weather pitch (AWP) at Hammersmith Park had been an established football venue for over thirty years. The park was laid out with tennis courts and a playground in November 1954, the remainder opening in September the following year. The football pitch was built in 1970's and was operated by the council on a pay as you go basis, as were the tennis courts.
- 4.5 In the 1990's a review of the condition of the all-weather sports pitch facility identified deterioration in its surface, and it was felt that it was no longer appropriate to levy the public a charge for its use. Whilst the council put together a plan to restore this facility, charging was suspended.
- 4.6 The Council advertised a contract in November 2010 seeking expressions of interest from organisations on contracting with the Council to design and build new all-weather sports pitches in return for the Council granting the successful bidder a concession to manage the new facility. Whilst the procurement to find a suitable partner did not require a fully regulated competition under the Public Contracts Regulations 2006 (as amended) - the estimated capital sum involved was below the de-minimis level of £4.3m for works, and service concessions were not subject to the Regulations – it was carried out in a transparent, robust and fair manner in accordance with the Council's own Contract Standing Orders.
- 4.7 Following return of twelve applications, three short-listed organisations were invited to participate in dialogue; one of the three later withdrew from the competition. "Best and Final Offers" (BAFOs) were submitted by the two remaining companies. The BAFO submitted by Sports & Leisure Group Ltd. (trading as PlayFootball) scored the highest points on both quality and on price and, on 18th July 2011, Cabinet agreed to award PlayFootball the contract.

4.8 The key features of PlayFootball's winning bid were:-

- £2.1m worth of capital investment to build the new floodlight facilities, which would include:
- nine 5-a-side football pitches (including one free-use pitch)
- three 7-a-side football pitches (including one free-use pitch)
- a pavilion;
- a further one-off capital payment of £75k to the Council to further develop facilities;
- an annual rent payment of £70k, reviewed at 5-yearly intervals in line with RPI;
- discounted use of the facilities for school use;-
- in return for a 35-year lease and services concession agreement to manage the new facilities.

4.9 The agreement for the lease was signed and executed on 28th September 2012. The lease and services contract are conditional on the facilities being built. PlayFootball applied for planning approval to construct the agreed scheme, and this was granted in September 2013.

COMMUNITY AND PARK USER CONCERNS

4.10 However, after award of the contract and during the statutory consultation on the planning application, local residents and community organisations expressed a number of concerns. These included a general perception that the Council had "sold" the park to PlayFootball and particular concerns:

- at the granting of a 35-year lease;
- at reduced free-use access to the sports facilities for local people and schools;
- that the tennis courts would continue to be neglected and not re-provided;
- that the new development would impact adversely on the park's attractiveness and bio-diversity, and have other adverse environmental impacts such as increased traffic, air, noise, and light pollution;
- that the licensed bar would lead to increased anti-social behaviour and was not necessary;
- that the noise from football and activities in the pavilion would adversely impact on local residents.

4.11 The Council's approval of the planning application in November 2013 became subject to a Judicial Review, brought by local residents. This led to PlayFootball submitting a second planning application which was granted approval in March 2014. This scheme is now subject to a further Judicial Review although to date, all 3 interested parties have agreed to a stay in the proceedings. PlayFootball have indicated that the current stay in the JR proceedings, in place until 10 July 2015, will be their last agreement to any further deferrals of the JR process.

5. PROPOSAL AND ISSUES

5.1. Building work on the site has not started and the site is surrounded by hoardings with security in place 24/7.

5.2. Since May 2014, negotiations have been ongoing with PlayFootball to establish how the current contract between the two parties could be varied in a way that is mutually acceptable, addresses the concerns of the local community and park users, and does not breach public procurement rules. Following community consultation, these discussions have reached the point where the following variations can be recommended for Cabinet approval. Specifically, that:

- the scheme be reduced to ten 5-a-side football pitches (with no 7-a-side pitches);
- a clubhouse that will include changing facilities and a cafe/bar;
- The café/licensed bar will only be for use associated with sports activities and not for parties;
- three pitches are allocated for dedicated/exclusive use by residents of the White City estate;
- the proposed car park is 19 spaces which will be for disabled visitors, school coaches, mini buses, cycles, a few 'fixed visit time' spaces of up to 30 minutes and limited staff parking. There will be no specific allocation of parking for users of the pitches;
- PlayFootball will fund the building of the new facilities with a gained donation from the neighbouring Stanhope development;
- the lease will no longer be granted and the concession contract is reduced from 35-years to 7 years with a review based on contract performance to negotiate the further extension of 7 years;
- a Community Advisory Panel will be set up to advise and assist on decisions of community access to the 3 designated pitches provided free of charge for the local community;
- any ground covered by the previous scheme which is not part of the reduced scheme will be refurbished to be fit for purpose. This includes the upgrading of the tennis and basketball courts, upgrade of the children's play area, and the introduction of a new outdoor gym, estimated to cost £410k in total. Stanhope have indicated that they will contribute £250k towards the cost of these works and it is expected that the £160k balance can be funded from further donations from Stanhope (being negotiated) or from existing unallocated section 106 monies (being explored);

6. ANALYSIS OF OPTION

Analysis of options is in the exempt part of this Cabinet Report.

7. CONSULTATION

- 7.1 A new round of public consultation has just concluded on the proposed variations. This included an opening and closing meeting (14th May & 3rd June) and two drop-in session meetings (19th & 21st May) at the White City Community Centre.
- 7.2 The consultation has also involved over forty (40) groups across the borough including community representatives throughout the process, a number of meetings have been held involving both the Council and the PlayFootball

7.3 In addition there were two distributions of leaflets to the housing area surrounding the park totalling 4,000 households, use of council social media with a reach in excess of 40,000 people, and information dropped to key community venues including schools, faith buildings, library and health centre. All of these exercises sought residents and park user's views on:

- the hours of operation for the sports pitches, the pavilion, floodlights and café;
- community access to and use of these;
- car parking;
- noise, lighting and traffic impacts;
- wider community benefits.

7.4 The full Hammersmith Park consultation summary report (produced 8th June) is attached with further detail (appendix 1). Some of the key issues raised include;

- Would you like to see other sports played at Hammersmith Park as well as football: 85% Yes, 15% No
- What facilities would you like to see: 79% tennis, 67% toilet, 65% café, 51% MUGA, 47% football, 43% outdoor gym, 16% other
- Is floodlight operation until 22.15pm (Mon-Sat) and 21.15 Sunday acceptable: 59% Yes, 41% No
- Is floodlight operation until 21.15 on all days acceptable: 69% Yes, 31% No
- The car park in the development is approved. Do you agree with the following: 70% no private parking, 69% secure cycle area, 54% disabled parking, 39% turning area for school buses, 21% staff parking
- Are you happy with the pavilion bar opening times, 23.00 (Mon-Sat) and 22.00 on Sunday: 27% Yes, 73% No
- Would you prefer pavilion bar amendment to 22.30 (Mon-Fri) and 21.00 on the weekend: 70% Yes, 30% No
- Would you support the refurbishment of tennis courts and MUGA: 94% Yes, 6% No
- Should provision for any other sports be free for all, part free and part book and pay, all book and pay in advance: 51% free to all, 43% part free and part book, 7% all book and pay in advance

PlayFootball have agreed in principle to manage the MUGA and tennis courts on behalf of the council. This would reduce costs and provide an enhanced offer for residents as they would be able to use the associated changing facilities and pavilion.

In future there will be further consultation in the event that any changes to the scheme described in this report are proposed.

8. IMPLICATIONS OF NOT DELIVERING THE SCHEME

- 8.1 One of the options considered is to 'do nothing' which has been debated at the recent consultation meetings. However, it should be recognised that PlayFootball do have all the legal consents (including a licence to operation the larger scheme for 35 years) they require, subject to the outcome of the JR, to build the original scheme.
- 8.2 Should the council not reach an agreed position with PlayFootball, the latter may decide to progress the development of the larger scheme, subject to the outcome of the JR, for which they have all legal consents. This scheme is not supported by the community and the council could be seen as having not acted to renegotiate a smaller, revised and more acceptable proposal on behalf of the local community.
- 8.3 Other potential sites in the borough were considered for this scheme but none were deemed to be suitable by either PlayFootball or the council.
- 8.4 PlayFootball have stated that they will not consider a "buy out" of their contract and the council currently have no legal way to challenge this position.
- 8.5 The recent community consultation demonstrates that although not all the community concerns will be fully addressed in the revised scheme, the majority of points raised as being of concern to local residents have been incorporated in the new proposal. There has been a significant shift in acceptance of the proposed alternative scheme by the community.
- 8.6 There is a point beyond which PlayFootball will withdraw from the current renegotiations if they perceive the commercial advantages of the new offer are not viable for them as a business. The consequence of this action is detailed in paras 8.1 to 8.5 above.

9. TIMESCALES

- 9.1 The stay of proceedings for the current JR is due to expire on 10 July 2015. PlayFootball have stated that they will not be willing to agree any further stay on the JR and are happy for it to proceed through the judicial system to a decision.
- 9.2 The council decision on whether to proceed with the revised scheme which has been subject to extensive community consultation and input needs to be taken by 10 July 2015.
- 9.3 If the council agrees to the recommendations in this report, the redevelopment of the site will commence in August for a period of approximately 19 weeks. It is estimated that the new sports facility will be open in November 2015.

10. EQUALITY IMPLICATIONS

- 10.1 A completed Equality Impact Assessment was provided as part of the original Cabinet Report and highlighted the deficiency of this type of facility in this part of the Borough.

11. LEGAL IMPLICATIONS

More Analysis of legal options are in the exempt part of this Cabinet Report.

Property and planning law implications

The Council are now exploring options for delivery of the scheme which would better serve the community and the parties have agreed to vary the arrangements that will be set out in these Heads of Terms, subject to contract.

- 11.5 A new Agreement between the Council and PlayFootball pursuant to which PlayFootball will agree to construct the new facilities.

- A new services agreement between the Council and PlayFootball which will be in substantially the same terms as the existing services agreement.
- An amendment to the existing section 106 agreement between the Council and PlayFootball.
- Any amendment to the existing Section 106 agreement under Section 106A of the Town and Country Planning Act 1990 or the planning permission under Section 73 of Town and Country Planning Act 1990 will require consideration by the Local Planning Authority following receipt of full details of the new proposal.
- A building contract between PlayFootball and its chosen contractor.
- A warranty/third party rights from the contractor in favour of the Council.
- The appointment of an employer's agent by PlayFootball
- A warranty/third party rights from the contractor in favour of the Council.
- Although it is proposed to grant a management agreement instead of a lease there will need to be an ancillary occupation agreement to exclude any like hood of security of tenure under the 1954 Landlord and Tenant Act being given

General public law implications

- 11.6 There is currently a judicial review application in Court, which has been stayed with the consent of all parties. A further consent order will be required withdrawing the judicial review application.

- 11.7 If the Claimant decides to withdraw her claim for judicial review, the Claimant, the Council and the Defendant can agree to enter into a consent order agreeing that the application is withdrawn. A decision will need to be made regarding the payment of costs incurred by all parties
- 11.8 Implications verified/completed by: (Tasnim Shawkat Director of Law, Shared Legal Services, telephone 020 8753 2700)

12. PLANNING IMPLICATIONS

- 12.1. The planning implications will be dependent on the scale and nature of the new scheme. Any necessary amendments to, or need for additional planning permissions will be addressed once the nature of the revised scheme for provision of facilities is agreed. In any case, the existing S106 agreement and conditions attached to the existing planning permission would need to be varied to ensure that there is adherence to the terms of the new scheme. PlayFootball will need to work with the Planning Department to determine what changes need to be made to the existing planning permission, once the new proposals have been decided.

13. FINANCIAL AND RESOURCES IMPLICATIONS

Analysis of the financial options is in the exempt part of this Cabinet Report.

- 13.1. Implications verified/completed by: Mark Jones, Director for Finance (ELRS and TTS), telephone: 0208 753 6700.

14. RISK MANAGEMENT

- 14.1. The department actively manage risk; risks are identified and reviewed quarterly by the senior leadership. Market testing is a corporately identified risk, risk number 4 on the Shared Services Risk Register. Legal risks are also noted, specifically the Judicial Review referred to in 11.6., risk number 9 compliance with laws and regulations.
- 14.2. Implications completed by: Michael Sloniowski, Shared Services Risk Manager telephone 020 8753 2587

15. DRAFT PROCUREMENT AND IT STRATEGY IMPLICATIONS

Analysis of procurement options are in main report on the exempt part of this Cabinet Report.

- 15.9 (Draft) Implications completed by John Francis: Principal Procurement Officer, H&F Procurement, FCS 020-8753-2582. (dated 12th June 2015)

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		

Hammersmith Park Consultation 2015

Summary Report

Overview

From 14/05/2015 to 03/06/2015, London Borough of Hammersmith and Fulham ran a consultation entitled 'Hammersmith Park' to find out people's views on the Park and how it could be improved.

322 people responded to the consultation. This report covers the online and postal elements of the consultation process. The online element was conducted on Citizenspace.¹ The report summarises the main comments received during the consultation.

Additional comments were made through consultation meetings, drop in sessions, letter and email responses which have been considered separately.

Questions summary

About you

Question 1: What is your name?

There were 312 responses to this question.

Question 2: What is your email address?

There were 231 responses to this question.

Question 3: What is your organisation?

There were 60 responses to this question.

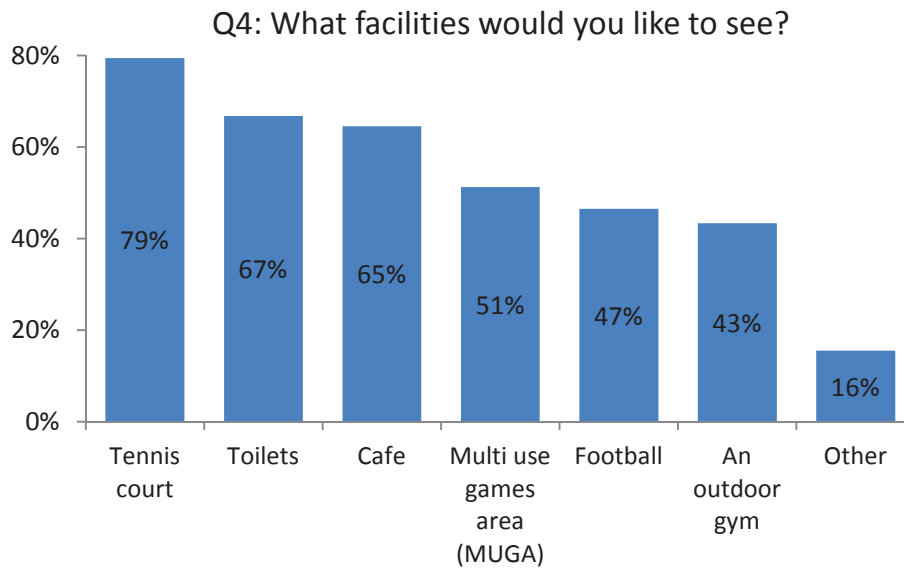
Hammersmith Park facilities

Question 4: What facilities would you like to see in Hammersmith Park?

The majority of respondents (79%) would like to see tennis court facilities in Hammersmith Park; this is followed by toilets (67%), cafe (65%), multi use games area including basketball courts (51%), football pitches (47%) and an outdoor gym

¹ <https://lbhf.citizenspace.com/environment-leisure-and-resident-services/hammersmith-park>

(43%). 'Other' responses included bigger play area for children, green space for picnics, paddling pool and table tennis facilities.



* Due to a multiple choice question, percentages not add up to 100%

Most common 'Other' responses:

"Bigger play area for children"

"An open green space for picnics / flower gardens"

"Quiet space - no games allowed"

"Paddling pool / water play area"

"Table tennis"

"More toddler play areas"

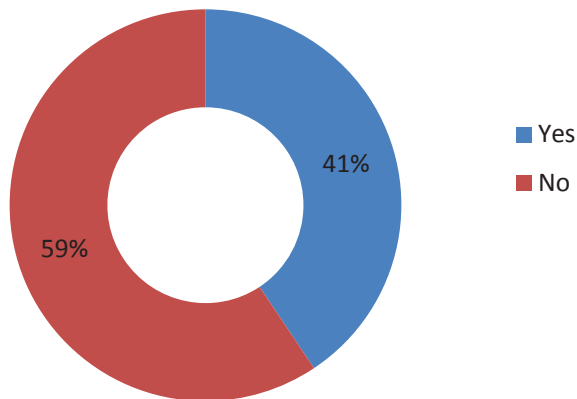
"Dog free space"

Question 5: What time should the floodlights operate?

Floodlights will be installed and it is proposed that they will operate until 10.15pm Monday to Saturday and until 9.15pm on a Sunday. Do you think these timings are acceptable?

Nearly three out of five (59%) respondents do not think these timings are acceptable.

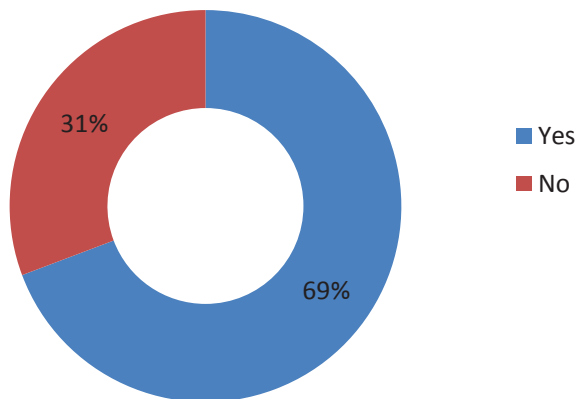
Q5a: Do you think the above timings are acceptable?



Or would you prefer an earlier time of 9.15pm on all days (pitches would be exited at 9pm)?

69% of respondents would prefer for floodlights to be turn off at an earlier time of 9.15pm on all days.

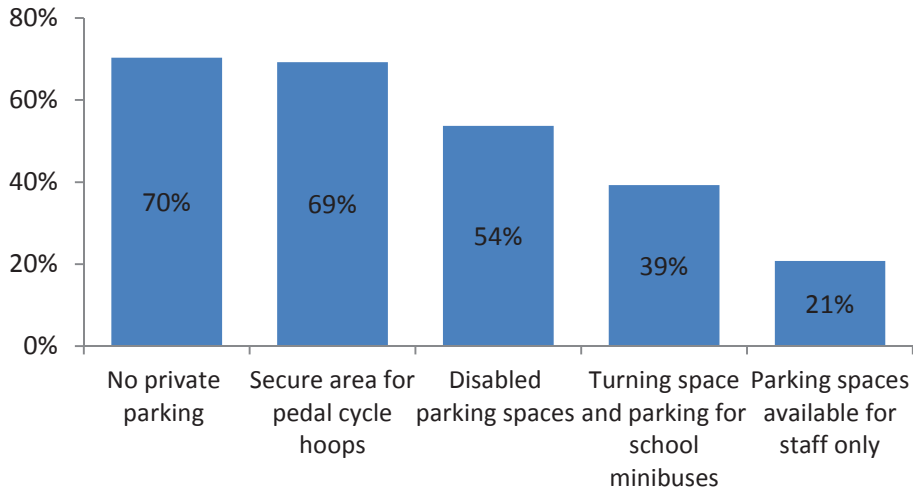
Q5b: Would you prefer an earlier time of 9.15pm on all days?



Question 6: The car park in the development is currently approved. Please check the boxes if you agree and leave the box blank if you don't agree.

70% of all respondents would like there to be no private parking and 69% of all respondents would like there to be space for a secure area for pedal cycle hoops. Over a half (54%) agree that there should be disabled parking spaces and 39% would like there to be turning space and parking for school minibuses. Just over one in five (21%) of all respondents agree for parking spaces to be available for staff only.

Q6: The car park in the development is currently approved. Do you agree with...?



* Due to a multiple choice question, percentages not add up to 100%

Most common responses:

“There should be No Car parking at all”

“Schools to be given free access to the football pitches”

“Parking for staff and disabled people only”

“Promote health means of getting to the park - walking and cycling”

“No parking and No licenced bar or cafe”

“More focus on encouraging cyclist and offering the London bikes”

“Free access to tennis courts and MUGA”

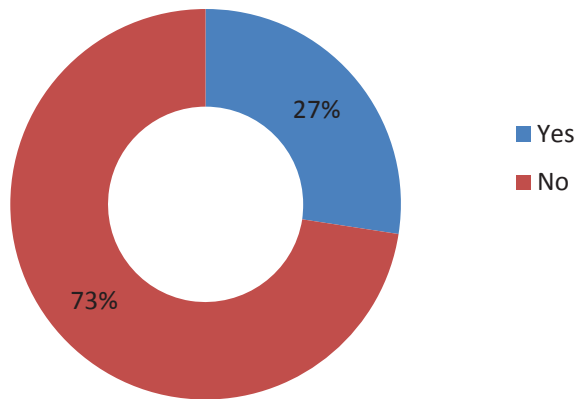
“No free parking for visitors”

Question 7: The Pavilion licensed bar and cafe opening times.

The bar and cafe can currently be used Monday to Saturday until 11pm and Sunday until 10pm. Are you happy with these times?

Nearly three out of four respondents (73%) are not happy with the current times.

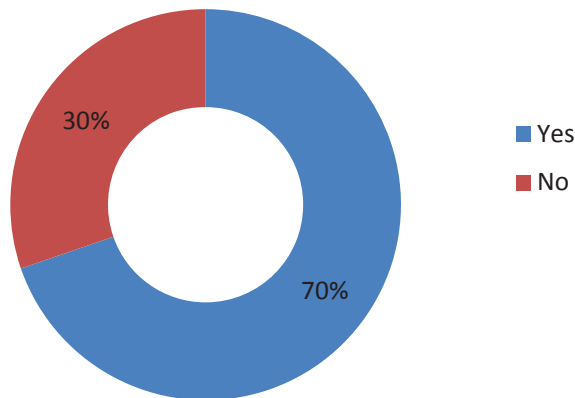
Q7a: Are you happy with Pavillion bar opening times?



Would you prefer to see the Pavilion licensed bar and café closed earlier? Monday to Friday 10.30pm, Saturday and Sunday 9pm?

70% of respondents would prefer the bar and cafe to close earlier.

Q7b: Would you prefer to see the Pavilion licensed bar and cafe closed earlier?

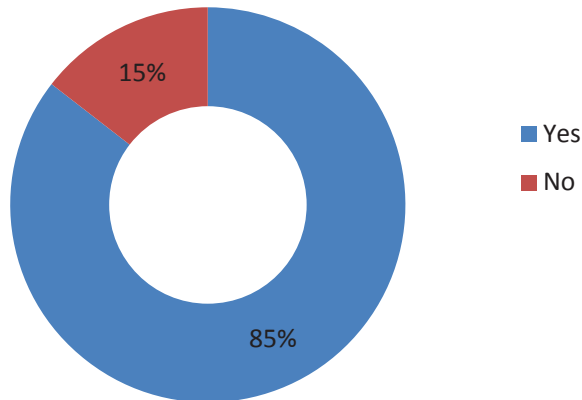


Other sports at Hammersmith Park

Question 8: Would you like to see other sports being played in Hammersmith Park as well as football?

The majority (85%) of respondents would like to see other sports being played in Hammersmith Park.

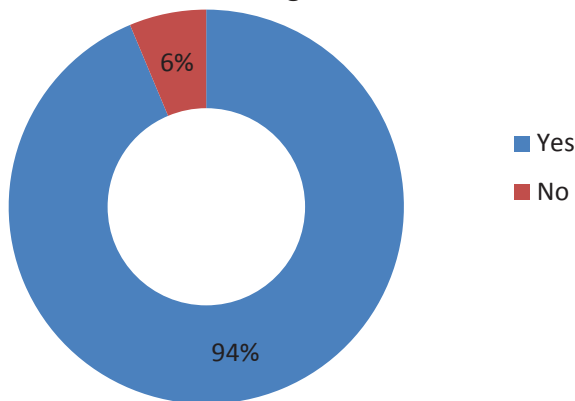
Q8: Would you like to see other sports being played as well as football?



Question 9: Would you support the refurbishment of the tennis courts and multi-use games area?

The majority (94%) of respondents would support the refurbishment of the tennis courts and multi-use games area.

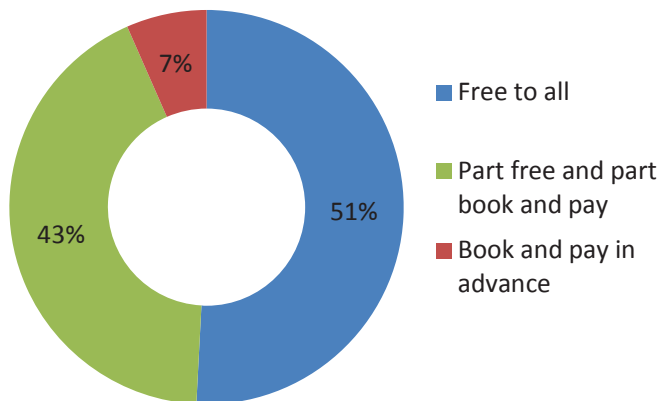
Q9: Would you support the refurbishment of the tennis courts and multi-use games area?



Question 10: Should provision for any other sports be free for all, part free and part book and pay, or book and pay in advance?

Over a half (51%) of respondents think that provision for any other sports should be free for all. A large proportion (43%) of respondents think that it should be part free and part book and pay, while 7% think it should be book and pay in advance.

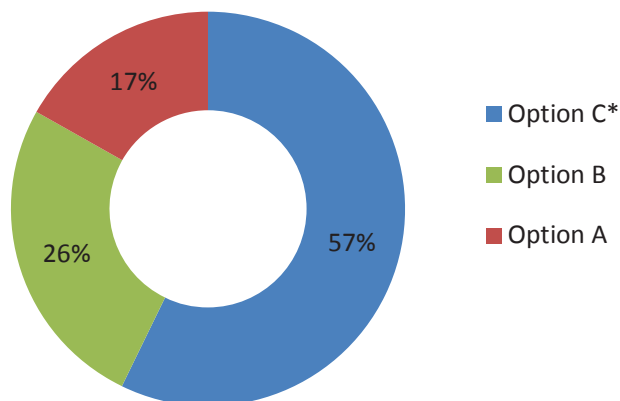
Q10: Should provision for any other sports be...?



Question 11: Which location would you prefer for the tennis and MUGA site as detailed on the display boards?

The majority (57%) of respondents would prefer Option C, 26% would prefer Option B and 17% would prefer option A.

Q11: Which location would you prefer for the tennis and MUGA site?



*Option C: This is a potential third option in which the tennis courts could be aligned singly, at a right angle, adjacent to the football pitches following the alignment of the basketball court in Option A, creating a single line of equal width. This option is currently subject to professional advice.

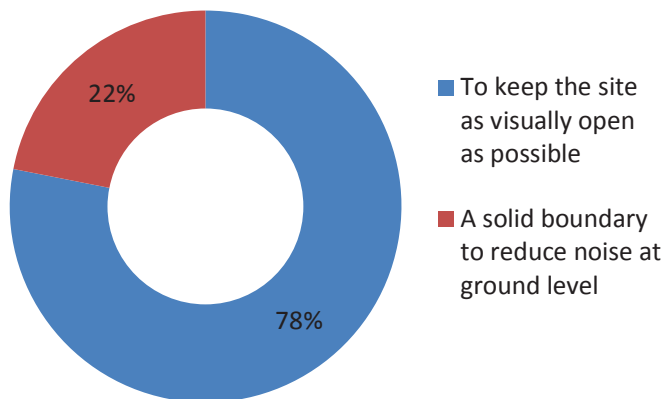
Display boards area available to view in this document (pdf)

http://www.lbhf.gov.uk/Images/HAWP%20Consultation%20booklet_tcm21-195788.pdf

Question 12: An acoustic fence could be installed which would reduce the impact of noise at ground level, but would create a 12ft solid boundary around the site. Would you prefer: - Acoustic fence

Nearly four out of five (78%) of respondents would prefer to keep the site as visually open as possible while 22% would prefer a solid boundary which reduces noise at ground level.

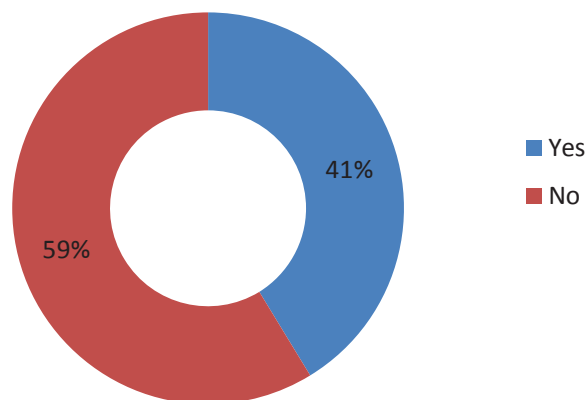
Q12: An acoustic fence could be installed.
Would you prefer...?



Question 13: Should there be the option to use the Pavilion licensed bar and cafe area for events at weekends?

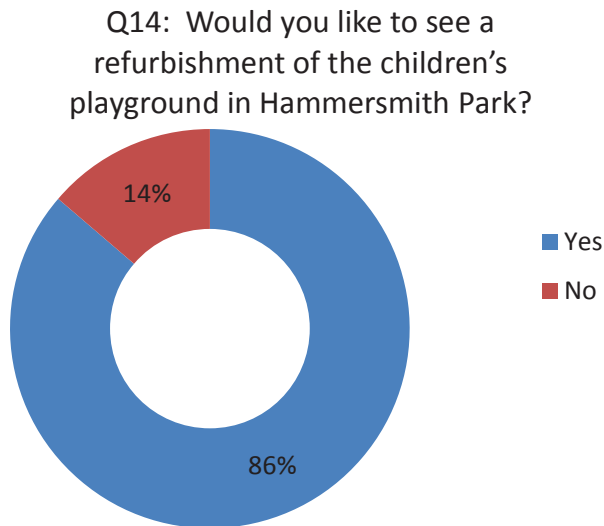
59% of respondents think that the licensed bar and cafe area should not be used for events at weekends while 41% think it should.

Q13: Should there be the option to use the Pavillion licensed bar and cafe area for events at weekends?



Question 14: Would you like to see a refurbishment of the children’s playground in Hammersmith Park?

The majority (86%) of respondents stated that they would like to see a refurbishment of the children’s playground in the park.



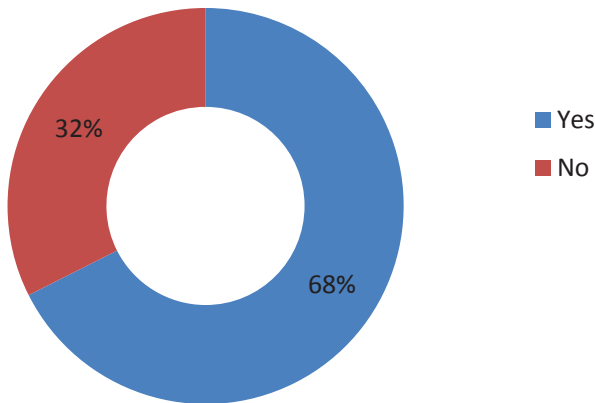
Most common responses:

- “Better play equipment, more modern slides”*
- “Monkey bars, swings, slides, climbing frames”*
- “Play activities for younger children”*
- “Great but needs refurbishment”*
- “An Adventure playground”*
- “Things that help children's physical development”*
- “Sandpits, roundabouts, soft surface”*
- “Lots more play equipment – family oriented”*

Question 15: Do you think the implementation of an adult outdoor gym area in Hammersmith Park is a good idea?

68% of respondents think that the implementation of an adult outdoor gym area in the park is a good idea while 32% think that it is not.

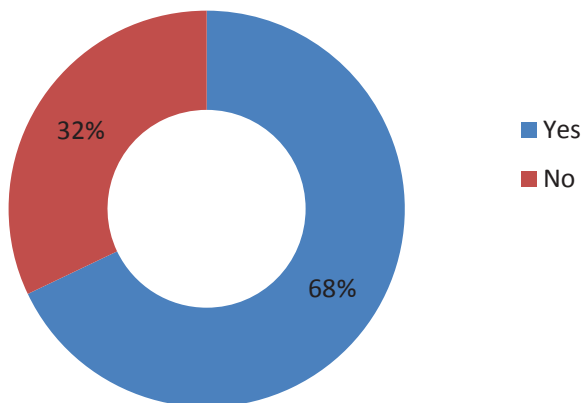
Q15: Do you think the implementation of an adult outdoor gym area in Hammersmith Park is a good idea?



Question 16: There is potential to put in a gate to Hammersmith Park leading from White City Close in order for residents to access the park from this direction. Do you agree with opening access to the park from the White City Close?

68% of respondents agree with opening access to the park from the White City Close while 32% disagree.

Q16: Do you agree with opening access to the Park from the White City Close?



Question 17: Do you have any other comments or issues regarding this development?

Respondents could enter free text to comment on issues regarding the development. There were 161 comments to this question and a broad analysis of the free text answers is shown below.

Most common responses:

"No licenced bar"

"Free tennis courts"

"No to alcohol being served in a cafe"

"I have a deep concern about the late opening of the pitches"

"No public parking on site"

"Don't reduce the green space"

"The noise impact of people shouting while playing football until 9pm or 10pm every night will be extremely disruptive"

"An equal number of tennis courts and football pitches"

"Low or No fees for local residents"

"Remove Play football from the park"

"Free toilet facilities"

"I feel very strongly that the pitches should close at 8pm"

"The sports area should promote healthy living; alcohol will not help this"

"Dogs to be kept away from the kids play area"

"Don't agree with a gate in White City Close"


"For those with gardens on the park side the noise and light pollution will be terrible, so the pitches should close earlier"

"Generous cycle hoop solution and a bank for London Bikes"

END

4th June 2015

Performance and Information Team (FCS, LBHF)

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">6 JULY 2015</p>
<p>TERMINATION OF THE S113 AGREEMENT WITH THE LINK</p>	
<p>Report of the Cabinet Member for Finance : Councillor Max Schmid</p>	
<p>Open Report.</p> <p>A separate report on the exempt Cabinet agenda provides exempt information in connection with the financial and resources implications.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Nigel Pallace, Chief Executive</p>	
<p>Report Author: Maureen McDonald-Khan, Director of Building and Property Management</p>	<p>Contact Details: Tel: 020 8753 4701 E-mail: Maureen.McDonald-Khan@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report is seeking approval to terminate the Section 113 agreement entered into on the 5th December 2013 with Westminster City Council and the Royal Borough of Kensington and Chelsea for "Tri-Borough Joint Working Agreement Total Facilities Management Services" ("the Link Agreement").
- 1.2. The agreement was entered into to realise economies and efficiencies in co-ordinating and managing the Total Facilities Management Contract through the combination, sharing and closer integration of a Shared Service facilities management services team, performing the Intelligent Client Function ("ICF"), including the creation of a single shared management team and support functions. The Councils entered into the

agreement in order to set out the overall relationship between the Councils. Each Council has given a Sovereignty Guarantee to ensure that the independence of the Councils as political and legal entities is protected.

- 1.3. References in this report to “the Link” shall mean the Shared Service described in paragraph 1.2 which was set up under the Link Agreement.

2. RECOMMENDATION

- 2.1. To serve Notice Terminating the Link Agreement entered into by Hammersmith and Fulham Council on the 5th December 2013 with Westminster City Council and the Royal Borough of Kensington and Chelsea.

3. REASONS FOR DECISION

- 3.1. The unsatisfactory performance of the Link in managing and properly representing the interests of Hammersmith and Fulham Council in relation to the management of the Total Facilities Management Contract between the three Councils mentioned in this report and Amey Community Limited contract (“the Project Agreement”).

4. INTRODUCTION AND BACKGROUND

- 4.1. At the Cabinet meeting held on the 13th May 2012 Cabinet resolved to outsource the provision of ‘Total Facilities Management’ (TFM) and to award a Tri-Borough contract to Amey Community Limited (“Amey”).
- 4.2. For the purposes of the Public Contracts Regulations 2006 (as amended) London Borough of Hammersmith & Fulham (H&F) was the contracting authority and the Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC) were named in the Official Journal of the European Union (OJEU) as “Participating Authorities”.
- 4.3. The Cabinet awarded the Tri-Borough contract for the provision of TFM (“the Project Agreement”) to Amey Community Limited with the services commencing on 1 October 2013 for a period of 10 years (with an optional 3 year extension).
- 4.4. The Cabinet also awarded a London-wide Framework Agreement for the provision of facilities management services to Amey Community Limited for a period of four years.
- 4.5. The Cabinet approved the structure of the Link (see Appendix A) and agreed that RBKC would be the host employer for the Link. Consequently on 5 December 2013 the three Councils entered into the Section 113 agreement (Link Agreement).

4.6 The purpose of the Link is to provide a means of directing and managing the performance of Amey and managing the Performance Management System. A single team delivers this on behalf of the three Councils. The Link is also responsible for stakeholder engagement, complaints resolution and managing the communications between Councils and Amey.

5. PROPOSAL AND ISSUES

5.1. The Council has a right to terminate the Link Agreement under clause 24.1 with the proviso that the Councils do not exercise until two years from the Commencement Date (1st June 2013). The notice of termination can be served in accordance with the Agreement at any time after the 1st June 2015.

5.2. The notice of termination will come into effect 12 months after the notice is served. The notice must be:

- In writing;
- Sent registered post or delivered by hand;
- Sent or delivered to the *Representative* of the other two Councils at the address specified in the Link Agreement at 27.4.

5.3 The Project Agreement date is the 10th June 2013 and continues until the tenth anniversary of the Service Transfer Date which is the 1st October 2013 “or such other period as is notified by the Councils in writing.”

5.4 The Project Agreement is designed to be managed by a Client facility (the Link was the structure chosen) provided by Royal Borough of Kensington and Chelsea. If Hammersmith and Fulham unilaterally terminates the Link Agreement then it will still be bound jointly with the other two Councils and will have to re-negotiate the ICF and Link or successor structure.

5.5 The Link Agreement provides that the Council that withdraws from the Link Agreement and / or the Project Agreement will be responsible for paying the breakage and other costs of the Project Agreement. Therefore it is necessary to ensure that the termination period required in the Link Agreement is managed in such a way that the Project Agreement survives termination of the Link Agreement. The withdrawing Council will be liable for any direct or indirect costs, or indirect Losses of the remaining Councils. It is possible that the remaining Councils could claim that the termination of the Link Agreement requires reimbursement of associated costs of the of the Link Agreement.

5.6 The Link Agreement, however, requires the parties to cooperate in the event of partial termination to agree necessary variations to the Link Agreement.

5.7 The costs, direct and indirect are not yet quantifiable but these categories should be seen as a budget risk. It will be necessary to ensure that the

Council uses the 12 month notice period to ensure that the parties to the Link Agreement successfully transition to a new arrangement that protects the Council's interest in the Project Agreement.

- 5.8 It follows that a variation of the Project Agreement will be required upon termination of the section Link Agreement and it will be necessary to consider the costs which may be associated with such variation. Clause 60 of the Project Agreement provides that the Project Agreement shall not be amended except in writing and is therefore subject to written agreement by all parties. Therefore the Council will have to negotiate with Westminster City Council and the Royal Borough of Kensington and Chelsea.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1 In late 2014 a review of the performance of the Link was commissioned. The primary focus of this review was the interfaces between Amey and the Link; and between the Link and the Councils in order to improve current methods of working, achieve common goals and drive value for money for the funding Councils.

- 6.2 The recommendations of this review are still outstanding.

- 6.3 The unsatisfactory performance of the Link in managing the Amey contract has led to unacceptable time delays in progressing service requests, works etc. from Hammersmith and Fulham which cannot be tolerated any longer.

- 6.4 The Council therefore has the following options:

- 6.4.1 To maintain the Link in its present state, consider the review referred to in 6.1 above;
- 6.4.2 To terminate the Link Agreement and negotiate the successor organisation between the other two Councils and Amey;
- 6.4.3 To negotiate a successor arrangement and then terminate the Link Agreement by agreement between the Councils, party to the Link Agreement.

- 6.5 It is, considered that 6.4.2 above is progressed. The implications for Hammersmith and Fulham would be the establishment of a Client function to manage the Amey contract. The proposed areas which would be managed by the Client Function are: Hard and Soft service management, performance and contract management of Amey. Option 6.4.1 is not an option; the performance of the Link has not resulted in the management and appropriate representation of the interest of Hammersmith and Fulham in relation to the management of the Total Facilities Management Contract between the three Councils mentioned in this report and Amey Community Limited contract ("the Project Agreement"). Option 6.4.3 if the negotiations became protracted or no agreement could be reached with the Link this would result in a further delay as the notice would not be served until the conclusion of the unsuccessful negotiations.

7 CONSULTATION

- 7.2 Consultation will be undertaken with representatives of the Link, Westminster City Council and the Royal Borough of Kensington and Chelsea in due course in order to achieve an efficient and effective transfer of responsibilities from the Link to Hammersmith and Fulham.

8 EQUALITY IMPLICATIONS

- 8.1 An Equality Impact Assessment will be undertaken in due course if required.

9 LEGAL IMPLICATIONS

- 9.2 This report identifies the ability of the London Borough of Hammersmith and Fulham to terminate the Link Agreement and the financial and operational risks associated with such termination. The Link Agreement contains various options for the parties to terminate the Link Agreement including for breach of the Link agreement by another of the Councils, by agreement between the parties and by twelve months' written notice by one Council to the remaining two Councils.
- 9.3 It has been identified that termination (by agreement or notice) can take place after the period of two years from the Commencement Date of the Link Agreement (1 June 2013) which is 1 June 2015. As such the Council is now entitled to serve notice of termination on the other two authorities in the Link Agreement at any time.
- 9.4 The report also notes that the termination of the Link Agreement will be within the context of the continuing obligations of all the parties under the Project Agreement for the outsourced Total Facilities Management Service.
- 9.5 Noting that Councils are to be held jointly and severally liable under the Project Agreement it is necessary to ensure that termination of the Link Agreement does not prejudice the Project Agreement. It is likely that the remaining Councils will seek to recover from Hammersmith and Fulham some element of the costs of the termination of the Link Agreement. It is also possible that the Councils may at some point seek to enforce indemnities against Hammersmith and Fulham in the event of termination of the Link. This must be considered as a commercial risk.
- 9.6 The Link takes the place of the ICF. Termination of the Link Agreement will therefore require that a replacement service is agreed between Hammersmith and Fulham and Amey and that any residual obligation to the other two Councils is met. It would be to Hammersmith and Fulham's benefit to deal with any ongoing obligations under the Link Agreement and to ensure that the alternative arrangements between the Councils are fully

negotiated during any termination period and the risks in clause 9.5 are mitigated via commercial negotiations, which has been stated in 7.2 of this report .

9.7 Cost implications need to be considered including:

9.7.1 The costs of re-instituting a successor structure to the ICF;

9.7.2 Costs claimed by RBKC and WCC which may relate to the termination of employment include TUPE, and other practical costs such as a reduction in the efficiency of the Link once Hammersmith and Fulham has left as well as a contingency for claimed indemnities;

9.7.3 Costs claimed by Amey for amending the service delivery associated with the structure referred to in 9.7.1.

9.8 Failure to negotiate successfully with the other two Councils and Amey may leave the Council exposed to risk of indemnities in the Link Agreement that purport to survive termination of the Link Agreement and also the liability provisions of the Project Agreement in the event of withdrawal. Unilateral termination of the Link Agreement, however, does not preclude a successful negotiation of the Link Agreement and the Project Agreement while the notice period under the Link Agreement is in effect.

9.9 Implications verified/completed by: (Jonathan Miller, Legal Officer, 07779 333041)

10 FINANCIAL AND RESOURCES IMPLICATIONS

10.1 As set out in the exempt report on the exempt Cabinet agenda

11. IMPLICATIONS FOR BUSINESS

11.1 There are no implications for businesses in the Borough.

12. RISK MANAGEMENT

12.1 The Link performance monitor a number of statutory duties delivered by the contractor. The future management of these will need to be considered to ensure that the duties are being performed according to the law. Failure of major partnerships and major contracts is a strategic risk, number 10 on the Shared Services Risk Register. Ensuring continuity of service during transition from the Link will be important, service continuity is also a strategic risk, risk number 6 on the Register. These and other operational risks will be the ongoing responsibility of the Transport and

Technical Services Department which operates within a risk management framework.

21.1 Implications verified/completed by: Michael Sloniowski 020 8753 2587

13. PROCUREMENT AND IT STRATEGY IMPLICATIONS


13.1 There are no procurement issues at this stage.

13.2 Implications verified/completed by: (Alan Parry, Procurement Consultant telephone 020 8753 2581).

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

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

Agenda Item 7

	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>6 JULY 2015</p>
<p>DIRECT HOUSING DELIVERY PROGRAMME AND SINGLE CONTRACTOR FRAMEWORK</p>	
<p>Report of the Cabinet Member for Economic Development and Regeneration : Councillor Andrew Jones</p>	
<p>Open Report</p> <p>A separate report on the exempt Cabinet agenda provides exempt information in connection with the financial implications.</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Juliemma McLoughlin – Director for Planning, Regeneration and Growth</p>	
<p>Report Author: Matthew Doman Development Manager</p>	<p>Contact Details: Tel: 020 8753 4547 E-mail: matthew.doman@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. It is a key priority of the Council to increase the number of genuinely affordable rented homes available to residents of the borough. This was confirmed in the new Housing Strategy approved by Cabinet on 11 May 2015.
- 1.2. The Council's programme for the direct delivery of new homes has been revised to reflect his change in policy. The revised direct delivery programme now has the potential to deliver circa 208 homes. A phased approach is being taken to the delivery of this programme and this report covers the first two phases of this programme which will deliver around 65 affordable rented council homes.

- 1.3. The Direct Housing Development programme forms part of the Council's overall programme for affordable housing delivery which includes:
 - The Joint Venture arrangement with Stanhope
 - Council Homes and Conversions Programme
 - Units secured via the planning process in line with the recently adopted revised Housing Strategy
- 1.4. The report also seeks approval to appoint a contractor to a single contractor framework to enable the delivery of these homes.

2. RECOMMENDATIONS

- 2.1. To approve the undertaking of Phase 1 of the Direct Housing Development programme. (as detailed below)
- 2.2. To approve the allocation of £7.6m of section 106 funds required to complete Phase 1 of the Direct Housing Development programme.
- 2.3. To approve the use of £3.25m Right to Buy (RTB) required to complete Phase 1 of Direct Housing Development programme
- 2.4. To approve the undertaking of necessary work to achieve detailed planning consent on Phase 2 schemes.
- 2.5. To approve the undertaking of additional feasibility work for the Direct Housing Development programme and undertake pre-application discussion with the planning authority and resident consultation where appropriate.
- 2.6. That approval is given to incur additional consultancy fees for ongoing professional, technical and legal advice to complete Phase 1 of the Direct Housing Development programme, to undertake work up to and including submitting a planning application for Phase 2 of the direct housing development programme, and to undertake feasibility work on remaining schemes included in the Direct Housing Development programme as set out below:

Legal Advice	£ 30,000
Architectural and Design Services	£350,000
Technical and Cost Advice Services	£350,000
Surveys	£ 70,000
Contingency	£ 50,000

- 2.7. To delegate authority to the Cabinet Member for Economic Development and Regeneration, in conjunction with the Director of Planning, Regeneration and Growth, the Director of Finance and Resources and the Director of Law, to approve the appointment of consultants required to

undertake work on Phase 2 of the Direct Housing Development programme and additional feasibility work as required.

- 2.8. That approval is given to establish a single contractor framework for the provision of development and construction services in order to deliver the Council's Direct Housing Development programme.
- 2.9. That approval is given to appoint Aecom Construction Services to the single contractor framework to provide development and construction services.
- 2.10. To approve the entering into build contracts (at a total cost and financing arrangements for each scheme as detailed in the exempt report on the exempt Cabinet agenda), subject to all outstanding terms being agreed, for the construction of:
 - Barclay Close
 - Becklow Gardens,
 - Spring Vale
 - Barons Court
- 2.11. To delegate authority to the Cabinet Member for Economic Development and Regeneration and the Cabinet Member for Finance, in conjunction with the Director of Planning, Regeneration and Growth, the Director of Finance and Resources and the Director of Law to agree any outstanding terms in advance of entering into construction contracts to build Barclay Close, Becklow Gardens and Spring Vale.
- 2.12. To delegate authority to the Cabinet Member for Housing, in conjunction with the Lead Director for Housing and the Director of Law, to approve Local Lettings Plans to govern the allocation of homes provided under Phases 1 and 2 of the Council's Direct Housing Delivery programme.

3. REASONS FOR DECISION

- 3.1. To enable the redevelopment of the Council owned sites identified in Phase 1 for the provision of new affordable housing.
- 3.2. To ensure that the required section 106 funds and Right to Buy 1-4-1 receipts are allocated to the Direct Housing Development programme to allow for the completion of Phase 1. This report also ensures that Right to Buy 1-4-1 receipts will not have to be paid over to central government.
- 3.3. To enable officers to work up and submit detailed planning applications and achieve detailed planning permission for Phase 2 schemes.
- 3.4. To enable further feasibility work to be undertaken to establish viable options for the future provision of affordable housing

- 3.5. To establish a framework and appoint a contractor partner to provide development and construction services to enable the Council to deliver its Direct Housing Development programme.

4. INTRODUCTION AND BACKGROUND

- 4.1. On 24 June 2013 Cabinet approved the Housing Development Programme Business Plan 2013-17, for the direct delivery of new homes in the Borough in pursuance of the Council's previously adopted (2012) Housing Strategy.
- 4.2. Since May 2014, planning and resident consultation activities on further schemes in the programme have been on hold pending the outcome of a comprehensive programme review to consider options for delivering a greater number of affordable rented units, within the overall delivery programme to reflect the Council's Housing Strategy as approved by Cabinet on 11th May 2015. The revised direct delivery programme now has the potential to deliver 200 homes. A phased approach is being taken to the delivery of this programme and this report covers the first two phases which will deliver around 65 social rented council homes.
- 4.3. The following schemes make up Phase 1 of the Direct Housing Development programme. All have detailed planning permission and can be used for the provision of social rent:
- Barclay Close
 - Becklow Gardens
 - Spring Vale
 - Barons Court
- 4.4. The following schemes make up Phase 2 of the Direct Housing Development programme and these schemes will be worked up alongside Phase 1 to achieve detailed planning permission:
- Jepson House
 - 50 Commonwealth Avenue Road (Nubian Centre)

Single Contractor Framework

- 4.5. In order to deliver the units included in the Direct Housing Development programme it was agreed that the Council would establish a single contractor framework to provide construction and development services. This decision was made after receiving advice from consultants on the basis that the potential economies of scale and time savings achieved by using a single contractor would increase the efficiency of providing new homes. This proposal was presented to Cabinet for approval in April 2014.
- 4.6. Following Cabinet approval in April 2014 a procurement exercise was initiated by the Council. A notice was published in the Official Journal of

the European Community (OJEU) and PQQs made available for download on 27th July 2014.

- 4.7. A total of four PQQs were received from the following companies:
 - Aecom Construction Services
 - Keepmoat
 - Mears Ltd
 - United House
- 4.8. Following evaluation of the PQQs a report was submitted to the Cabinet Member for Economic Development and Regeneration in December 2014 recommending that all four companies be invited to tender.
- 4.9. Following Cabinet Member approval tender documents were issued in January 2015 and bids were invited for return by 20th March 2015.
- 4.10. As part of the framework tender exercise bidders were asked to submit bids for the construction of Barclay Close and Becklow Gardens for assessment. Bidders were asked to price both projects in the following manner:
 - Barclay Close Mandatory – Rational House construction model
 - Barclay Close Alternative – Bidder to propose an alternative construction method
 - Becklow Gardens Mandatory – Rational House construction model
 - Becklow Gardens Alternative – Bidder to propose an alternative construction method
- 4.11. The decision was made to request a price for an alternative construction method due to the fact that the Rational House model is a new product that is not currently being used at scale in the residential sector. Moreover it gave the Council the opportunity to test the market to come up with a cost effective solution for developing the sites.
- 4.12. Bidders were asked to submit their tenders on a fixed fee basis for both construction methodologies which will enable the Council to call off the contracts for works using the method that offers best value for money.
- 4.13. Bidders were also asked to submit fixed framework fees for items such as preliminary costs and design fees.

5. PROPOSAL AND ISSUES

Direct Housing Development Programme

- 5.1. The review of the Direct Housing Development programme shows that around 208 new homes could be built on 20 Council owned sites. These schemes are at various stages in the development cycle, some have detailed planning consents, some are at feasibility stage and some have been identified as suitable for redevelopment.

Phase 1

- 5.2. The proposal is to phase the Direct Housing Development programme and include in Phase 1 the schemes that have implementable detailed planning consents. These are:

Scheme	Description	Location
Barclay Close – New Build Social Rent	This site has detailed planning permission for 6 units. Consultancy work was procured via the CHPL framework and the units are designed to Rational House principles.	Located off Fulham Road and near Fulham Broadway Tube Station
Becklow Gardens –New Build Social Rent	This site has detailed planning permission for 13 units. Consultancy work was procured via the CHPL framework and the units are designed to Rational House principles.	Located just off A4020 Uxbridge Road in Shepherds Bush
Spring Vale- New Build Social Rent	This site has detailed planning permission for 10 units. Consultancy work was procured via the CHPL framework and the units are designed to Rational House principles	Located close to Kensington Olympia
Barons Court – Conversion of store area Social Rent	This site has detailed planning permission for 2 units. Consultancy work was undertaken by Baily Garner.	Located close Barons Court Tube Station

- 5.3. The redevelopment of these four sites will result in **31** much needed new affordable homes being built.
- 5.4. In order to develop Phase 1 £7.6m of section 106 funds and £3.25 Right to Buy receipts (£10.85m in total) will need to be allocated.

- 5.5. It is proposed that, subject to the necessary funds being allocated, the works for the development projects included in Phase 1 be procured and undertaken.

Phase 2

- 5.6. It is also proposed that work be undertaken to develop Phase 2 schemes in order to achieve detailed planning consents. Phase 2 schemes are as follows:

Scheme	Description	Location	Provisional Cost
Jepson House – New Build	This scheme has reached pre-application stage following initial feasibility modelling. Consultancy work has been undertaken via the CHPL framework but this will be reviewed moving forward. The current design would provide for 28 new affordable homes .	Located in the South of the Borough close to Wandsworth Bridge Road	£9.5m
50 Commonwealth Avenue – New Build	This scheme has been discussed with planners and has the potential of providing 14 new affordable homes .	Located in White City	£4m

- 5.7. Achieving detailed planning permission will enable these homes to be delivered within the next two years if the funds required to construct the properties are secured from future s.106 commuted sums.
- 5.8. The value of these sites will also be increase by obtaining detailed planning permission.
- 5.9. In addition, it is proposed that feasibility work be undertaken for schemes to be included in subsequent Phases of the Direct Housing Development programme to pre-planning stage.
- 5.10. The Council's Scheme of Allocation for council homes allows for the introduction of Local Lettings Plans (LLPs) to govern the allocation of homes in a particular area or of a particular type. It is proposed that the letting of the properties developed as a consequence of this report be subject to LLPs so as to benefit existing tenants in the vicinity of the newly-developed homes. It is anticipated that this will benefit in particular existing tenants in the local area who are living in overcrowded conditions. Prior to implementation, the plans would be subject to consultation with residents in the area.

Single Contractor Framework

- 5.11. The recommendation to establish a single contractor framework was approved by the Cabinet in April 2014 on the basis that it would be the most efficient and cost effective way of delivering development projects. This was based on the fact that economy of scale savings should be achieved by engaging with a single partner and there would be no requirement to undertake full procurement exercises for each individual project.
- 5.12. A regulated procurement exercise was initiated in July 2014 as detailed above and resulted in four developers being invited to tender. These were:
- Aecom Construction Services
 - Keepmoat
 - Mears Ltd
 - United House
- 5.13. During the tender stage Keepmoat, Mears Ltd and United House withdrew from the procurement exercise citing lack of resources due to the volume of work they are currently undertaking.

Tender Evaluation

- 5.14. The closing date for tender returns was 20th March 2015 and evaluation was completed on 31st March 2015.
- 5.15. Bids were evaluated on three key criteria with a maximum of 40% awarded for financial proposals, 50% to quality proposals and 10% for their approach to community engagement.
- 5.16. The issue of whether the Council could establish the framework and appoint a contractor if only one bid was received was discussed in detail with the Council's legal advisor Sharpe Pritchard. It was confirmed that as long as a full-regulated procurement exercise was undertaken there is nothing preventing the Council establishing a framework in the event it only receives one bid. Lambert Smith Hampton has provided separate advice confirming value for money (see paragraph 5.18 below).
- 5.17. It is proposed that the works required to deliver Phase 1 of the direct housing development programme be called-off the framework subject to all outstanding terms being agreed.

Value for Money

- 5.18. Fixed framework fees for items such as preliminary costs and design fees were submitted and evaluated as part of the procurement exercise. These amounts are fixed and will form part of the framework contract document. This, in conjunction with an open book approach to pricing the construction works, will ensure that value for money is achieved on future schemes.
- 5.19. All figures for future schemes will also be assessed by a Quantity Surveyor appointed by the Council who will confirm that the proposals offer value for money prior to entering into a construction contract.

Community Investment

- 5.20. Bidders were scored on their approach to community engagement which included resident consultation, local supply chain, local labour and training opportunities.
- 5.21. Future construction contracts and appointments will have obligations in relation to social return on investment and an emphasis on investment in local communities.

6. OPTIONS AND ANALYSIS OF OPTIONS

Direct Housing Development Programme

- 6.1. The revised Housing Strategy places more emphasis on the supply of social rented units, particularly so on Council owned sites.
- 6.2. A number of options were reviewed exploring how to improve the number of social rent units in the Direct Housing Development programme as a whole. These options required either a number of units to be sold at private market levels in order to cross-subsidise the provision of social rent units or for the programme to be split into smaller phases that could be 100% funded without the need for selling private units or taking on external debt.
- 6.3. The proposal set out above is to split the Direct Housing Development programme into smaller phases. The first phase is exclusively social housing and 100% internally funded by RTB and s106 receipts. This option was chosen as it maximises the provision of social housing on each site without the need to increase HRA debt. The alternatives would have involved:
 - increased HRA borrowing, however as set out in the finance comments there are a number of pressures on the Housing Capital Financing Requirement and/or
 - not maximising the provision of social housing on each site.

Single Contractor Framework

- 6.4. Procuring construction works for individual small to medium size development schemes has become increasingly difficult mainly as a result of an extremely buoyant construction market.
- 6.5. This issue was discussed in detail with the Council's development management partners and a number of options were considered, these were:
 - To undertake individual OJEU procurement exercises for each scheme above the relevant threshold.
 - To access an existing framework and undertake a competitive exercise to appoint a contractor.
- 6.6. Both of these options throw up the same problems in so much as the schemes are not of sufficient size to attract tenders from companies that would meet the Council's supplier requirements; also tender returns would probably be high in value as it is likely that no economies of scale could be achieved.
- 6.7. In order to overcome these issues and achieve efficiencies and economies of scale approval was given to undertake a regulated procurement exercise in order to establish a single contractor framework.

7. CONSULTATION

- 7.1. Formal consultation with residents in relation to the schemes that make up Phase 1 was undertaken at various stages prior to submitting a planning application. Resident and other interested parties also had the opportunity to comment on the application prior to planning being granted.
- 7.2. During consultation it was explained that the Phase 1 properties would be sold at either Market or Discount Market levels in line with the 2013-17 HDP Business Plan. Further consultation will be required prior to starting construction works to explain the change in tenure to social rent and initial letters have been sent to residents.
- 7.3. For Phase 2 and future schemes detailed resident consultation exercises will be undertaken. Resident consultation will include:
 - Ward Councillor briefings
 - TRA engagement
 - Resident newsletters
 - Additional letters to leaseholders
 - Drop-in sessions to enable residents to engage in site design
 - Presentations to tenants and leaseholder area forums

- 7.4. The outcome of the consultation will inform scheme development and planning submission for each scheme.

Further resident engagement will be undertaken prior to the construction work at each of the development sites to introduce the contractor and provide residents with further details regarding the development process.

8. EQUALITY IMPLICATIONS

Direct Housing Development Programme

- 8.1. Under the Equality Act 2010, the Council must consider its obligations with regards to the Public Sector Equality Duty (PSED). It must carry out its functions (as defined by the Human Rights Act 1998) with due regard to the duty and its effect on the protected in a relevant and proportionate way. The duty came into effect on 6th April 2011.
- 8.2. An initial Equality Impact Analysis (EIA) has been undertaken. It shows that the development sites are to be of medium relevance and have a positive impact on the following groups:
- Age (especially younger age groups)
 - Disabled people (and the Council recognises that some disabled people may require more assistance to benefit)
 - Women
- 8.3. Some Phase 1 schemes may impact on women and men, as set out in the EIA, where pram sheds will be moved. There is likely to be disruption but the degree to which this occurs will vary from site to site. However, there will be no loss of the facility as this will be mitigated by the re-provision of the facility.
- 8.4. Full EIA assessments will be undertaken on a scheme by scheme basis as part of the planning application process.

Single Contractor Framework

- 8.5. As this process involves the establishment of a Contractor framework it is unlikely there will be any equality implications.
- 8.6. *Implications verified by: David Bennett, Acting Head of Change Delivery
0208 753 1628 - david.bennett@lbhf.gov.uk*

9. LEGAL IMPLICATIONS

Direct Housing Development Programme

The legal implications are set out in the report. Section 106 money must be used in accordance with the terms of the agreement under which it was

given. Provided that the agreement is complied with, funds can be used in this way.

Single Contractor Framework

- 9.1. Legal advice on the procurement of the Framework Agreement is provided by external lawyers, Sharpe Pritchard. The procurement has been carried out in accordance with the Public Contract Regulations 2006 and the Council's Contract Standing Orders.
- 9.2. It is noted that whilst four organisations were invited to bid, only one bid was received. However, as set out earlier in this report, provided a compliant procurement exercise was undertaken, and the Council is satisfied that it will receive value for money, the Council is permitted to award the in the event it only receives one bid.
- 9.3. Implications verified/completed by: Cath Tempest, Senior Solicitor (Contracts) 020 8753 2774

10. PLANNING IMPLICATIONS

- 10.1. The S106 contributions that are required to enable the redevelopment of the Council owned sites specified for affordable housing purposes would be a use of the funds, as they were secured for either affordable housing or social and physical infrastructure purposes in the borough. The timetable for payment/receipt of the funds is considered to be realistic if not conservative, and the triggers for payment will be monitored.
- 10.2. Implications verified/completed by: (Peter Kemp, Planning Change Manager, 020 8753 6970)

11. FINANCIAL AND RESOURCES IMPLICATIONS

- 11.1. It should be noted that £1.033m of capitalised costs are currently held on the balance sheet as at 31st March 2015 against these sites. Should any not progress the costs associated with that site would have to be written off to revenue and would be a call on the HRA Strategic Regeneration and Housing Development Earmarked Reserve which had a balance on 31st March 2015 of £1.746m.
- 11.2. 30% of each sites predicted costs will be financed by Right to Buy capital receipts that have been earmarked for the provision of affordable rented housing. These are known as 1-4-1 receipts and are exempt from pooling to central government on the proviso that they are used for providing additional affordable rented housing. They must be used within 3 years of the last day of the quarter in which they were retained. The 30% to be used for each site is the maximum allowable as stipulated by the 2012 Self Financing Agreement with Communities and Local Government. Based on the above this amounts to £3.25m which will be funded using the oldest retained receipts. As at March 31st 2015 the Council held £9.7m Right To

Buy 1-4-1 receipts. Details of the 1-4-1 receipts held in reserve and the deadlines by which they must be used are set out in appendix 2.

- 11.3. The remaining £7.59m is funded by s106 receipts, details of which are in appendix 1 (in the exempt report on the exempt Cabinet agenda). Where possible funding has been allocated to schemes fulfilling the geographic restrictions conditions of some s106 agreements. At the time of this report £20.4m of s106 receipts are expected to be available within this financial year and next. Not all of this funding is currently in hand, however the schedule provided by Planning Services confirms that £8.69m is expected this year and £11.75m next. This adequately covers the funding required for the four schemes going into build contract. Associated risks are covered in the subsequent section.
- 11.4. Additional consultancy fees are required for on-going professional, technical, and legal advice to complete Phase 1 of the Direct Housing Development programme and to undertake work up to and including submitting a planning application for Phase 2. The £850k estimated total costs will be funded from Capital Receipts Reserve balances within the Decent Neighbourhood Fund. The consultancy fees funded by this need to qualify as capital expenditure and will be checked on an item by item basis. Any which do not qualify can be either charged to S106 or to the HRA Strategic Regeneration and Housing Development Earmarked Reserve.
- 11.5. For Jepson House and /or Commonwealth Avenue further funding will need to be identified before entering into build contracts and a further Cabinet report will be required. Furthermore Commonwealth Avenue is a General Fund owned site, if the option to develop this within the HRA is exercised then the site would need to be appropriated for Housing Land. This would increase the HRA's Capital Funding Requirement (CFR). Any appropriation would be based on market value; currently the Capital Budgets assume a £500k receipt for the sale of this site. Obtaining planning permission for new homes will increase the value of these sites.
- 11.6. It should be noted that any funding committed to the schemes considered within this report will reduce the potential contributions to other Decent Neighbourhood Programme projects such as the redevelopment of Edith Summerskill House.
- 11.7. Implications verified/completed by: (Firas Al-Sheikh, Housing Financial Strategy Accountant, 020 8753 4790)

12. FINANCIAL RISK MANAGEMENT

- 12.1. Not all of the s106 funding the four schemes is in hand. The schedule provided by the Planning department confirms that if received on time there will be sufficient receipts to fully finance the four schemes going into build contract. Whilst there is no material risk of the receipt values being

less than anticipated there is a significant risk of short term delays (i.e. up to a quarter). Two significant sums are expected in the final quarter of 2015/16: £4.25m from the Town Hall redevelopment and £2.25m from St. James White City. If these two receipts slip into 2016/17 then it is estimated the funding shortfall could be up to £2m which would consequently increase the Housing Revenue Account's (HRA's) Capital Financing Requirement (CFR) by up to the same amount for the financial year 2015/16. It should be noted that this would represent a short term increase if the risk is realised which is containable within the CFR cap for the HRA and any such increase would be reversed when the delayed s106 receipts are subsequently realised in 2016/17.

- 12.2. To mitigate against this risk Finance and Planning Officers will continue to monitor progress on the sites involved carefully. Furthermore whilst this risk remains in place Finance will reflect it in subsequent 2015/16 budget reports.
- 12.3. There is a risk that the Government's current commitment to introduce an extension to Right to Buy to Registered Providers and to make Council's sell their high value homes may impact on the future use of these homes. If this risk materialised then it is likely that the tenure would be converted to equity share, however it should be noted that this would probably not be as effective at reducing pressure on Temporary Accommodation costs in the General Fund as providing Affordable Rented Homes.
- 12.4. If progression to build contract is not realised for Jepson House, Commonwealth Avenue and other Phase 2 sites then the costs incurred to date will be written off as unbudgeted revenue of up to £850k to the Housing Revenue Account.
- 12.5. There is a risk that if phase 2 does not progress the £850k of costs incurred will need to be written off to revenue. This can be covered out of the HRA Strategic Regeneration and Housing Development Earmarked Reserve which as at 31st March 2015 had a balance of £1.746m
- 12.6. There is a risk that if development does not progress the Council may need to repay retained Right to Buy Receipts to central government in accordance with the deadlines set out in Appendix 2
- 12.7. Implications verified/completed by: (Firas Al-Sheikh, Housing Financial Strategy Accountant, 020 8753 4790)

13. RISK MANAGEMENT

Development Risk

Phase 1

- 13.1. Fixed construction costs have been received for Becklow Gardens and Barclay Close. These fees were returned during the procurement exercise on the basis of a summer/ autumn 2015 start on site. Should we not be in a position to call off these contracts there is a risk that the contractor may look to renegotiate or withdraw all together. The rate of construction inflation would suggest that if the contractor withdrew and the sites retendered it would be likely that construction costs would increase.
- 13.2. Spring Vale and Barons Court are based on up to date costs estimates supplied by the Council's cost consultants with a contingency figure included. If approval to undertake the works is delayed significantly it is likely that construction costs will go up.
- 13.3. If approved at July 2015 Cabinet it is anticipated that Phase 1 schemes will complete between a 6 -12 month period from award of contract. A delay to the approval will see the delivery of these homes pushed back.
- 13.4. There is limited risk that ground conditions on site will delay the delivery of Phase 1 schemes as detailed surveys were undertaken and included in the tender documents. Tender returns include delivery programmes that make allowance for any issues identified. The works will be procured using a JCT Design and Build contract on a fixed sum basis so unforeseen issues encountered on site are at the Contractor's risk.

Phase 2

- 13.5. As Phase 2 involves taking sites from feasibility to detailed planning stage there are a number of risk items that have to be considered. These include:
 - The ability to obtain planning permission for a viable scheme.
 - Local opposition to the development
 - Adverse ground conditions that would result in high abnormal development costs that would impact on a viable scheme being delivered.
 - The requirement for service diversions which would have a significant cost impact on the project.
 - Insufficient funds available to undertake the construction work when planning permission is achieved

The major risks associated with these items are financial as they may all create abortive costs. This will be mitigated by structured fee schedules which have fixed sums at feasibility, pre-app and detailed planning stages. If feasibility work suggests that the sites are unviable to be developed then they will not be progressed.

- 13.6. Jepson House has already undergone feasibility work and several pre-app discussions which suggest a viable scheme can be achieved on site.

- 13.7. Should planning be achieved and funding not be available to develop the sites can be sold or transferred to an affordable housing provider to construct for the provision of social housing.

Procurement Risk

- 13.8. Advice has been sought from the Council’s legal advisors at each stage of the procurement exercise. Risk has been minimised by ensuring that an open and transparent evaluation has been undertaken.
- 13.9. Implications verified/completed by: Matthew Doman, Development Manager x4547

14. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 14.1. The proposal to set up a Single Contractor Framework was approved by Cabinet in April 2014.
- 14.2. The procurement has been carried out in accordance with the Public Contract Regulations 2006 and the Council’s Contract Standing Orders.
- 14.3. Implications verified/completed by: (Robert Hillman, Procurement Consultant x1538)

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 - The financing arrangements for each scheme (*in the exempt report on the exempt Cabinet agenda*).
- Appendix 2 - Details of the councils Right to Buy 1-4-1 receipts held in reserve

APPENDIX 2

Details of the councils Right to Buy 1-4-1 receipts held in reserve

Receipts received in Quarter	RTB 1-4-1 receipts received £	Amount used £	Amount remaining	Amount allocated for Phase 1a £	Deadline to use receipt
01/01/2014 - 31/04/2014	1,468,185	149,214	1,318,971	1,318,971	01/01/2017 - 31/04/2017
01/04/2014-30/06/2014	2,402,271	-	2,402,271	1,933,563	01/04/2017-30/06/2017
01/07/2014 - 30/09/2014	2,707,645	-	2,707,645	-	01/07/2017 - 30/09/2017
01/10/2014 - 31/12/2014	2,071,846	-	2,071,846	-	01/10/2017 - 31/12/2017
01/01/2015 - 31/03/2015	1,213,379	-	1,213,379	-	01/01/2018 - 31/03/2018
	9,863,327	149,214	9,714,113	3,252,534	

Executive Decision Report

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	<p>Full Cabinet</p> <p>Date of decision (i.e. not before): <i>6 July 2015</i></p>	
	<p>Full Cabinet</p> <p>Date of decision (i.e. not before): <i>16 July 2015</i></p> <p>Forward Plan reference: <i>KD04569/15/K/A</i></p>	
	<p>Cabinet Member for Adults and Public Health and Cabinet Member for Finance and Corporate Services</p> <p>Date of meeting or formal issue (i.e. not before): <i>8th June 2015.</i></p>	
Report title (decision subject)	ADULT SOCIAL CARE SHARED SERVICES STRATEGIC BUSINESS CASE	
Reporting officer	Liz Bruce	
Key decision	Yes	
Access to information classification	Public	

1. EXECUTIVE SUMMARY

- 1.1 This report is a business case for funding for the Adult Social Care (ASC) Shared Services change portfolios across the three councils, to deliver the ASC vision over the next three years.

2 RECOMMENDATIONS

For Westminster City Council (WCC)

- 2.1 That the Cabinet Member for WCC supports this business case, and the creation of a strategic funding facility of £6.22M over a three year period 2015–2018, funded from each council's reserves, pro rata to planned savings for that council. The WCC contribution to this facility is £2.41M;
- 2.2 That the Cabinet Member for WCC supports ASC plans for 2015-16, and the release from WCC reserves of £737K in 2015-16 from WCC reserves to execute these plans;

For the London Borough of Hammersmith and Fulham (LBHF)

- 2.3 That LBHF Cabinet supports this business case, and the creation of a strategic funding facility of £6.22M over a three year period 2015–2018, funded from each council's reserves, pro rata to planned savings for that council. The LBHF contribution to this facility is £2.46M;
- 2.4 That LBHF Cabinet supports ASC plans for 2015-16, and the release of £833K in 2015-16 from LBHF reserves to execute these plans;

For the Royal Borough of Kensington and Chelsea (RBKC)

- 2.5 That RBKC Cabinet supports this business case, and the creation of a strategic funding facility of £6.22M over a three year period 2015–2018, funded from each council's reserves, pro rata to planned savings for that council. The RBKC contribution to this facility is £1.35M;
- 2.6 That RBKC Cabinet supports ASC plans for 2015-16, and the release of £499K in 2015-16 from RBKC reserves to execute these plans;

3 REASONS FOR DECISION

- 3.1 ASC requires investment to transform and improve services, implement policy reforms and deliver savings plans. The funding facility is required to resource ASC transformation, business improvement and efficiency savings portfolios over a three year period 2015-2018, to deliver at least £46M in savings.
- 3.2 The release of funds in 2015-16 is required to support the delivery of ASC 2015-16 change plans.

4 BACKGROUND

- 4.1 ASC and Health face rising demand. More people with multiple long-term health conditions need help. Declining Local Government settlements leave smaller budgets from which to meet their growing need for care and support.
- 4.2 ASC's vision to meet the challenge of rising demand and declining budgets is person-centred, high quality, integrated care, provided in people's homes and communities. Good care and support make for good outcomes; good outcomes help people stay well and better able to look after themselves and each other. We seek these outcomes for our residents:
- Healthy, independent adults are active in their communities and connected to families, friends and neighbours,
 - Fit older people, who contribute to communities, support others and promote their own health and wellbeing,
 - Disabled adults with long-term conditions have full choice and control over their own lives and are supported to manage their condition,
 - The most vulnerable adults are protected from abuse and neglect.
- 4.3 The transformation of Adult Social Care and Health is being developed in the context of national and local challenges and opportunities. Nationally, two new laws have made the biggest changes in the modern health and care system since its creation:
- In 2012 the Health and Social Care Act made far-reaching changes in the structure, governance and economics of the NHS. The reforms have had profound direct and indirect effects on local councils
 - From April 2015, the Care Act will reform the Adult Social Care system more than any other change for sixty years, impacting social care practice, legislation and funding. The Act streamlines legislation, and brings new duties to the local government and new rights for residents. It substantially widens our customer base to include people who currently fund their own care, informal carers, prisoners and others with care-needs not formerly eligible for public support. These new duties bring new demand and also require us to change our processes and professional practice.
- 4.4 A second determinant of change is a new phase in the integration of health and care. The Better Care Fund (BCF) brings larger pooled budgets and clear key performance targets for prevention of hospital admissions for elderly and disabled residents. BCF is intended to promote services at home that care for people with serious health conditions. These new out-of-hospital care services replace acute hospital care with care at home. As a key community service, ASC's frontline will support more people with increasingly acute and complex care needs in their homes, and this will require new models of commissioning and delivery.
- 4.5 Additionally, the national devolution agenda will challenge both ASC and Health to

work through the scale and spatial level at which services should be delivered.

- 4.6 Locally, ASC is implementing a single operating model, through our Customer Journey and Community Independence Service changes, to three different councils, each holding sovereign budgets and facing different service pressures and priorities.
- 4.7 The frontline ASC service in each authority has been developed independently, and is entering into the shared ASC service from a different starting point. Our ambition through the Customer Journey is to build a single operating model and a single service offer based on our vision above, while respecting the local needs and policies of each borough.

Work completed since November 2013

- 4.8 In 2013, ASC was granted transformation funding of approximately £1.6M for the period 2013/14 and 2014/15, of which £1M has been spent, plus additional funding of £0.4M from Health. These funds were used to launch a portfolio of change to transform our delivery of social care, and to meet current and future savings targets.
- 4.9 The goals and plan for this work are illustrated in the ASC Shared Services 'Plan on a Page', included at Appendix 1. In the period since funding was granted, ASC has completed the following work:
- Delivery of 2014/15 savings of £9.1M across the three boroughs.
 - Definition and analysis phases of the ASC Operations alignment programme, including external analysis and customer engagement, and the development of a high level design for the Customer Journey programme,
 - A complex programme of change and readiness for the implementation of the first phase of the Care Act in April 2015,
 - The design and tender of contracts for a new enabling model of Homecare. This is the first of its kind nationally, with Homecare commissioned on outcomes, rather than time and inputs, and low level health care integrated into the delivery of the service,
 - The initiation and mobilisation of a programme of Better Care Fund projects, working with Clinical Commissioning Groups to prevent hospital admissions for elderly and disabled residents. The flagship project, a new Community Independence Service, launched in April 2015. A hospital discharge pilot is also underway,
 - The implementation of a portfolio management unit and governance process to manage and control the portfolio, interfacing to the Health led portfolio management functions, to support joint ASC and Health governance arrangements for Whole Systems and the Better Care Fund programmes,
 - Co-ordinated participation in the co-design, planning and preparation stages of

the Health and Social Care Whole Systems Integrated Care programme. This programme entered its Early Adopters phase last year, and the workload on ASC is significant. Proposals are CCG specific, with each one requiring ASC Head of Service input alongside that of front line staff.

5 THE ASC BUSINESS CASE

ASC challenges for 2015-18

- 5.1 ASC faces the largest pressure to make savings of all council services, with a required minimum saving of over £46M over three years, against a 2014/15 net budget for the three Council's ASC service of £207m. At the same time, ASC must improve the quality of services, address the additional demands created by our ageing population and the Care Act, and deliver integrated front-line services.
- 5.2 When the shared ASC service was formed, the combined ASC back office organisation was reduced by around 40%. This reduction included commissioning and contracting functions key to driving strategic changes in cost effective purchase and improved outcomes. A recent Ernst and Young review of the commissioning organisation has highlighted significant under-capacity and lack of capability in the current ASC commissioning function.
- 5.3 ASC Directors and management are running the service to increasingly demanding standards. Unlike other Shared Services departments, ASC has a single set of directors across all boroughs. The pressure on this single team is increasing as we work across three boroughs, each with its own governance and oversight, lead large thematic portfolios, and fulfil our responsibilities as borough leads.
- 5.4 Our service functions and supporting change functions are insufficiently resourced to work at the pace we require to transform our services and make further savings. To address this, ASC must build a more resilient organisation, with more capacity and capability to lead, manage and absorb change.
- 5.5 To do this, ASC is requesting a strategic funding facility, to efficiently plan our change and change capacity over several years, through a single business case.

Request for investment

- 5.6 We propose a funding facility related in value to the scale of our savings targets over the next three years, sourced through a drawdown from council reserves. The use of a three year horizon provides a longer term indication of ASC investment funding requirements, and allows ASC to plan investment strategically, using a combination of fixed term and interim resources
- 5.7 To establish the level of investment required over this period we have used two approaches, as follows.
- 5.8 To assess funding required for 2015-16 plans, we completed detailed planning at project and programme level to assemble our funding requirement. This is detailed in section 6.

- 5.9 To assess funding required for 2016-18 plans, we have referred to the level of planned savings in each borough. The proposed ratio of new funding requested to overall savings is approximately 13%. This rises to 16% if the cost of internal Innovation and Change Management resources (ICM) is recognised. For comparison, we took a small sample of commercial ventures and found ratios of between 10% and 15%. ASC invested approximately £1.4M in 2013-14 and made savings of £9.1M, a ratio of 15%.
- 5.10 Under our current savings plans to 2017-18, a 13% ratio indicates a facility of £6.22M of new ASC funding, over the three financial years. If the cost of ICM resources called upon by this model is included, the requirement is £7.5M. A full summary of resource costs is included at Appendix 2.

Resourcing Approach

- 5.11 We will use the investment requested to fund a change resource pool including fixed term capacity, corporate change and interim resources, as follows.
- 5.12 We will augment our core service delivery organisation, introducing fixed term roles to replace some of the management and leadership capacity and capability lost at ASC Shared Services' creation. These roles will be key to defining and leading our change from within the service definition, management and delivery functions, and will take responsibility for delivery against service and savings commitments.
- 5.13 We will add fixed term capacity to our in-house ASC change management team, to a level where it can meet a significant proportion of regular demand, maximising utilisation of internal staff and reducing the requirement for external resources. This approach also provides greater continuity and builds internal change expertise and experience.
- 5.14 We plan to supplement the ASC change team through increased use of corporate change management capabilities, provided by the LBHF and RBKC Innovation and Change Management function (ICM). This is dependent on available capacity and capability, and requires ASC specialist knowledge to lead and oversee programmes. (Early stage discussions are also underway with WCC Change and Programme Management.)
- 5.15 We will continue to use interim external resources to release our own staff to work on change, and to provide additional specialist capability or additional capacity over time limited periods. Our model is front-loaded in 2015-16 and uses a higher proportion of contract based resources, as we build in-house capacity and capability.
- 5.16 The resource cost model at Appendix 2 details how we will use proposed funding and other sources to build the resource pool. This is a top down planning approach; the actual combination of resources used in each year will depend on the detailed plans for that year, and the skills and experience required for the change programmes initiated.

Alternative resourcing strategy considered

5.17 The resourcing approach in this section builds internal capability and capacity. In view of the scale of resourcing required, ASC could commission alternative change management arrangements, by entering a strategic partnership with an external change delivery organisation and retaining an internal function to manage performance. This option has not been explored or evaluated in depth, as ASC leadership is of the view that it is unlikely to be in the boroughs' interests to depend primarily on an external change agency to deliver ASC transformation.

Funding of resources across the three boroughs

5.18 The scope of the change portfolio is Shared Services, and will benefit all boroughs. Savings plans differ from borough to borough, and it is proposed that each borough contributes funding in proportion to the value of planned savings as a percentage of total ASC savings. Proposed funding by borough is included at section 11.

5.19 Where ICM resources are deployed, ICM will operate existing inter-borough cross-charging processes to ensure there is no cross council subsidisation through the use of ICM.

No permanent organisation growth

5.20 This investment plan requests additional departmental resources over a three year period. At this stage, we do not know in any detail the level of change required to be funded in future years, and make no commitment that these resources are required beyond March 2018. In the event that the additional roles are not required beyond this date, ASC would need to restructure to continue to operate within budget.

Detailed Planning for 2015-16

5.21 For 2015-16, we have undertaken a detailed analysis of the resources we need to deliver our plans, which is detailed in section 6. We have established how we can deliver this using a blend of in-house ASC, Corporate change, and external agency resources.

5.22 Our planned 2015-16 investment by portfolio is summarised in the following table, alongside the overall investment for future years, based on the resource model at Appendix 2. We will specify actual funding requirements each financial year during the planning cycle for that year.

Funding by Portfolio (£000)	2015-16	2016-17	2017-18	Total
Transformation	1,166	<i>Calculated during the annual planning cycle</i>		
Efficiency Savings	545			
Business Improvement	663			
Portfolio Management	259			
less 2014-15 underspend	564			
Total funding requested	2,069	2,075	2,075	6,219

Assumptions and Risks

5.23 To build our resource plans as efficiently as possible, we have made a number of assumptions, which carry attendant risks, described below.

5.24 Corporate change capacity: The model assumes that specific levels of Corporate change management resources will be provided each year by Innovation and Change Management (ICM), the LBHF and RBKC corporate change function. ICM leadership supports the ICM resourcing levels proposed in the business case.

In the event that ICM resources were not available at the level indicated, for example due to higher priority demands from other departments, or budget reductions reducing ICM capacity, then either ASC plans would need to be delayed (with potential impacts to savings), or alternative resources would need to be sought externally, at additional cost. To manage this risk, ASC will plan its resourcing with ICM, and will report regularly on resourcing risks and mitigating actions.

5.25 Corporate change capability and fit: The model assumes that Corporate change resource will be available at the required levels of capability and fit to required roles. There may be occasions when ICM cannot offer a suitable fit or capability at the point this is required. In this event, alternative capability would be sought externally, and at additional cost. To manage this risk, ASC will work with ICM to profile forecast demand and ensure appropriate skills and fit.

5.26 Pace of recruitment: The model assumes that ASC will be able to gain approval to appoint appropriate additional resources at pace. Current processes for the correct evaluation, approval and appointment of all types of staff are time consuming and resource intensive, and are often a critical factor in the pace of initiating project work. To deliver our plans, ASC requires support from HR and SSB to help us use HR processes efficiently, and allow us to swiftly and easily hire appropriately skilled resources. In the event this cannot be achieved, the change work described in this document will be delayed, impacting the pace of change and the realisation of savings.

5.27 Transformation investment requested for 2015-16 includes support for the Community Independence Service project team and for ASC leadership of Better Care Fund (BCF) schemes. However this business case assumes that BCF project office support continues to be available following joint ASC and Health planning in April 2015, and there is currently no provision for this in this business case.

5.28 Future savings requirements: ASC funding in this report is related to current known levels of savings. It is our expectation that further demands may be made in future years; this would result in ASC requesting additional funding beyond that indicated in this report.

5.29 Pace of change: We have provided for additional roles to lead and support change in the ASC functions. However organisational capacity remains limited, and our portfolios of change will typically be impacting the same key managers and Heads of Service at the same time, over long periods. We have been ambitious in our belief that we must progress our change agenda, however there is a risk that our plans are optimistic in their ambition and that the pace cannot be

sustained. We will manage this through monitoring progress and impacts through our ASC Leadership portfolio governance function and Workforce Development Board.

- 5.30 In view of these assumptions and risks, a contingency of 15% of the total cost of change has been assigned to the 3 year facility, to allow for planning risk and optimism regarding achievable pace of change. This is shown at Appendix 2. The contingency is expressed as funding on the basis that recovery action would be effected through the mobilisation of additional change resources.
- 5.31 The contingency has not been included in the funding request; however members may wish to consider it when providing for future drawings against reserves.

6 INVESTMENT PLAN FOR 2015-16

- 6.1 This section summarises the change work we intend to deliver in 2015-16 across our three portfolios: Transformation, Efficiency Savings, and Business Improvement, as illustrated in the ASC Shared Services Plan on a Page at Appendix 1.
- 6.2 In each portfolio we explain the changes planned, and any key operational roles for which we have made provision.

Transformation Portfolio

Savings	Overall Timescale	Investment 15-16 (excluding IT)	Outcomes
£6M	3 years	£1,166K	Front end ASC operations redesigned. Compliance with Care Act phase II. New Homecare service implemented. In-house capability to lead on Whole Systems, Social Care and Personalisation.

- 6.3 The Transformation portfolio includes those programmes that will realise ASC's vision to deliver better outcomes through integration with Health; it includes the Customer Journey, Homecare, the Better Care Fund and Whole Systems Integrated Care programmes. In addition to improving outcomes, these changes are also intended to deliver a sustainably lower cost operating model over the next three years.
- 6.4 During 2015-16, the Transformation portfolio will deliver the following changes:
- Community Independence Service: we will co-ordinate the implementation of the new ASC operating model for the new Community Independence Service, working in an ASC Provider role with the Better Care Fund programme and alongside our Health partners
 - Care Act: we will embed changes in practice to meet the initial phase of the Care Act, and plan and implement readiness and changes to support the second phase, including funding reforms and market management,

- Homecare: we will launch new outcomes based Homecare services and monitoring, with significant changes in the organisation of our Homecare management teams
- IT systems: start work on a programme of changes to ASC Operations IT systems that support personalisation and the management and monitoring of care, to remove inefficiencies and work better
- Long term care teams: later in the year we will start to design changes in the long term/complex needs Operations teams, for completion during 2016-17. These changes will enable us to realise committed downstream Customer Journey savings
- Transitions shared services: the boroughs operate different models to support this service and we propose to review these and to implement a shared service delivery organisation. This early work will prepare ASC for a subsequent, more far reaching review to be undertaken jointly with Children's Services.
- As part of our internal diligence on the Transformation portfolio we have also made provision to host and manage an external Peer Review, to gain independent scrutiny and challenge on the changes we are planning.

Key roles to support Transformation

6.5 In addition to a combination of ASC, ICM and interim change management resourcing, we have made provision for two fixed term ASC roles that are critical to national and local priorities of Prevention, Personalisation and Integration, and will enable us to make and sustain these changes to our service:

Personalisation Lead

6.6 The delivery of personalised care plans is a core requirement of the service. The Personalisation lead will be accountable for ensuring that we have the policies training and systems to deliver personalised care planning and care outcomes, meeting the individual needs of our customers and the requirements of the Care Act.

Lead Social Worker

6.7 New service responsibilities were created through the Care Act, and we will make extensive changes to how we work to support the new operational models we are designing. The Lead Social Worker will identify and respond to new initiatives and changes in legislation and government policy relating to adult social work and social care, and will lead on effective implementation and embedding these changes. The role will lead on social work best practice and ensure that our decision-making and organisational change is influenced by expert professional social work knowledge and practice.

ICT Changes

6.8 Note that additional capital costs for any ICT changes above are not yet confirmed, and have not been included here.

Efficiency Savings Portfolio

Savings (excl. Transformation)	Overall Timescale	Investment 2015-16	Outcomes
£39M	3 years	£545K	Delivery savings targets for 2015-16. Plans for future delivery of savings

6.9 The Efficiency Savings portfolio includes investment costs for two large savings programmes, and the governance and tracking of savings delivery across all initiatives.

Commissioning and Contracts Efficiencies

6.10 This programme of work will reduce the cost of ASC services commissioned through external providers across the three boroughs. It will include benchmarking against the market for best value and renegotiation and re-procurement to secure best value and minimise concentration of risk. Scope includes residential and nursing spot contracts and existing and framework block contracts.

6.11 The Contract Efficiencies team currently includes specialist commissioning and procurement expertise, supported by seconded and interim resources to free up capacity in the commissioning teams and facilitate skills transfer. We anticipate that this work may require additional resources, as the commissioning process will require significant input from providers to reduce the impact on the frontline.

Assistive Technology

6.12 Assistive Technology is a key component of our strategy to support customers in their homes. We aim to develop an integrated approach to the development and delivery of Assistive Technology across Housing, ASC and Health in the three boroughs. The project is also planned to deliver savings of £3M over three years. Our project will support two streams of work:

- The development and procurement of integrated provision, offering call handling, equipment supply, and services and response
- Support and development of operational teams and clinical staff and services that provide information, assess need and support customers.

6.13 We have included provision to support two Assistive Technology officers to work across the 3 authorities, providing AT expertise for the teams, raising awareness, leading training, developing tools and information for the teams, supporting best practice, evaluating new technology and supporting pilot testing.

Savings programme management and tracking

6.14 We have included provision for resources to manage and track savings plans.

Business Improvement Portfolio

Savings	Timescale	Investment	Outcomes
Further savings to be confirmed	3 years	£663K	Integrated Commissioning Strategy and related savings plans. IT strategy implementation

Commissioning Initiatives

6.15 The ASC Commissioning function is under new leadership and is undergoing a strategic review, with recommendations due in Q2 2015-16. In the interim, a number of service reviews and key roles have been identified and are provided for in our 2015-16 plans.

Mental Health Partnerships Review

6.16 ASC Section 75 agreements with the two Mental Health Trusts have remained in place during a period of ongoing upheaval and change, including the introduction of ASC shared services and CCG-based commissioning, pressure on budgets, new policy initiatives with a bearing on the service and organisational changes in both Trusts.

6.17 To ensure the partnerships are fit for purpose, we plan to review practice and identify improvements to enhance outcomes and reduce costs. This will also establish that statutory duties are being effectively discharged, including new requirements under the Care Act, that the model and resourcing directly support the mental health transformation agenda, in particular Shifting Settings of Care, and that Recovery approach and the principles of personalisation are embedded in the model and central to service delivery.

Provided Services Review

6.18 There are currently 13 directly provided services delivered directly by ASC, some already mid service transformation. This new initiative has the following objectives for all directly provided services:

- Safe and robust services, with effective management arrangements
- All efficiency opportunities are realised
- All service improvement opportunities realised

6.19 We have made provision for a Contract Manager and Procurement Manager through next year to work with Commissioners to develop options for the services, project manage agreed changes, and ensure that service quality is maintained through any transition.

Community Equipment Review

6.20 Community Equipment is an area of cost pressure and growth for both ASC and the Clinical Commissioning Groups, with uptake increasing for several years and an expectation is that this trend will continue. Changes in the organisation of community health and social care teams through the development of the Community Independence Service will reinforce this trend.

6.21 In order to better manage these processes, we will appoint an interim clinical project manager to work across contract management and operational management of prescribing teams. The manager will lead delivery of a plan to rationalise, standardise and simplify processes, the objective being to maximise efficiency and cost effectiveness, and control activity and costs.

Key Business Improvement Roles

6.22 In addition to a combination of ASC, ICM and interim change management resourcing, we have made provision for two fixed term ASC roles that will be key to the implementation of our Commissioning strategy.

Mental Health Commissioner

6.23 The councils currently support several community-based mental health resources, but since the formation of ASC there has not been a strategic lead for this provision. There is now an urgent need to review Council-funded mental health provision across the three boroughs and to develop clear commissioning plans for the next three years. Our resource plans provide for a senior Mental Health Commissioner to lead this work.

Strategic Commissioning Lead for Housing

6.24 Appropriate housing is critical to the delivery of the ASC prevention agenda and is explicitly recognised in the Care Act, which creates new legal duties for integrated working and co-operation and places suitable housing at the centre of the customer wellbeing. The ASC Commissioning Lead for housing will drive best use of resources to deliver both in terms of integration and prevention, which is critical to future year savings targets and our overall financial position. Specifically this role will

- deliver a strategic overview of housing need, supply and development requirements for each of our customer groups
- manage ASC's relationship with housing and planning in each borough and with key housing providers, providing an expert resource on housing issues
- maintain an overview of new initiatives, lead on specific projects and provide leadership for staff involved in these developments.
- ensure a joined up approach to commissioning supported housing and housing-related support

IT Strategy Implementation

6.25 We continue to manage delivery of the ASC Shared Services IT strategy, and

have made provision for the governance of this work during 2015-16. This excludes departmental ICT resources and capital investment.

Portfolio Management

Investment 2015-16	Outcomes
£259K	Co-ordination, management and reporting of the change portfolio.

6.26 This section includes funding for resources and roles to maintain control and governance over the change portfolios. Portfolio management office roles were previously agreed in 2013.

6.27 Portfolio Management investment excludes funding for internal change delivery resources assigned to specific programmes and projects. Costs for these resources are included in the portfolio to which they are assigned.

7 INVESTMENT PLANS FOR 2016-2018

7.1 The strategic business case is based on delivery of our vision and service strategy over the next three years, illustrated at Appendix 1: ASC Shared Services Plan on a Page. Our work for 2016-2018 will include the following:

- Completion of the transformation of our Long term team processes and organisation, as part of the Customer Journey programme,
- Further integration and improvement in our combined service delivery with Health to improve outcomes and deliver further savings, driven through our engagement in the Better Care Fund programme and Whole Systems Integrated Care programmes,
- Implementation of a Commissioning strategy, including joint commissioning plans for Mental Health and Learning Disabilities, and changing the way we work with local providers,
- The management of large multi-year savings programmes such as Contract Savings and the Assistive Technology programme,
- In addition to the above, we anticipate that further savings will be requested, and that these will require ASC to continue to innovate and transform services, to enable us to continue to deliver services at lower operating costs.

7.2 Future year detailed plans for each year will be shared during the annual planning cycle.

8 EQUALITY IMPLICATIONS

8.1 Equality Impact Assessments will be completed at programme level as appropriate for component programmes of the Transformation, Efficiency Savings and Business improvement portfolios.

9 INFORMATION, COMMUNICATIONS AND TECHNOLOGY (ICT) IMPLICATIONS

9.1 ICT is represented in each of the programmes. ICT requirements submitted will be costed and will be subject to the annual Capital bidding cycle. Where feasible, IT funding required would be drawn from Future year provisions in this business case.

10 LEGAL IMPLICATIONS

10.1 The legal implications are contained within the body of the report. Implications cleared by Rhian Davies, Head of Division (Litigation and Social Care).

11 FINANCIAL AND RESOURCES IMPLICATIONS

11.1 A summary of resources required is included at Appendix 2. Proposed savings targets and investment contributions (calculated pro-rata to savings for each Council) are summarised below:

Revenue		2015-16	2016-17	2017-18	2018-19
Savings					ongoing
Hammersmith and Fulham	annual	6,514	6,284	5,571	-
	cumulative	6,514	12,798	18,369	18,369
Kensington and Chelsea*	annual	3,900	3,128	3,128	-
	cumulative	3,900	7,028	10,156	10,156
Westminster	annual	5,759	5,410	6,830	-
	cumulative	5,759	11,169	17,999	17,999
TOTAL SAVINGS	annual	16,173	14,822	15,529	
	cumulative	16,173	30,995	46,524	46,524
Investment contributions	CFWD from 14-15	Drawdown of Reserves			
Hammersmith and Fulham	339	833	880	744	-
Kensington and Chelsea	25	499	438	418	-
Westminster	200	737	757	913	-
TOTAL INVESTMENT	564	2,069	2,075	2,075	-

11.2 Implications verified by Prakash Daryanani (Prakash.Daryanani@lbhf.gov.uk)

11.3 The funding for 2015-16 can be met from a drawdown from reserves.

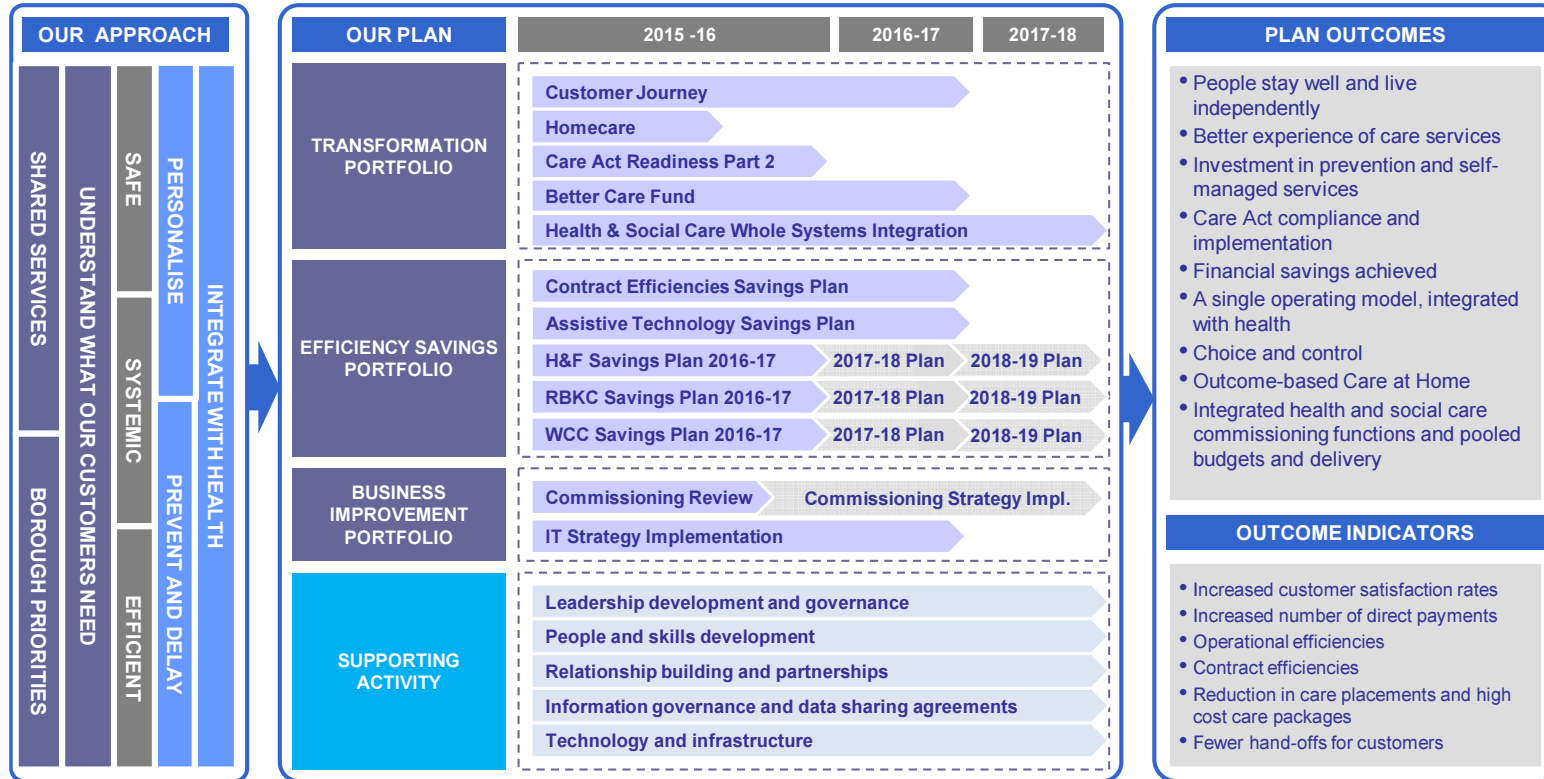
Local Government Act 1972 (as amended) – Background papers used in the preparation of this report: None

Director name: Liz Bruce

Director title: Executive Director, Adult Social care and Health,

Contact officer(s): Rachel Wigley

Appendix 1 ASC Shared Service Plan on a Page



Appendix 2: ASC Transformation 2015-2018: Resource Costs

	('000)			
	2015-16	2016-17	2017-18	Total
Savings targets by year	£ 16,173	£ 14,822	£ 15,529	£ 46,524

ASC Funding:						
Carried forward from 2014-15	£	564		£	564	
New ASC funding requested in this business case	£	2,069	£	2,075	£	2,075
Total	£	2,633	£	2,075	£	2,075

Allocation of ASC Funding:								
ASC fixed term PMO staff costs	£	662	£	760	£	760	£	2,182
ASC fixed term commissioning and operational management posts	£	237	£	278	£	278	£	794
Contract resources	£	1,734	£	1,037	£	1,037	£	3,808
	£	2,633	£	2,075	£	2,075	£	6,783
Ratio of funding request to ASC savings excluding ICM (approx)		13%		14%		13%		13%


Funding from other sources									
Innovation and Change Management resources (ICM)	£	339	£	469	£	469	£	1,277	
Care Act funding	£	189	£	-	£	-	£	189	
Total cost of change excluding contingency	£	3,160	£	2,544	£	2,544	£	8,248	
Ratio of funding request to ASC savings, including ICM resources		15%		17%		16%		16%	
Contingency (not resourced at this stage)	15%	£	474	£	382	£	382	£	1,237
Total cost of change including contingency		£	3,635	£	2,926	£	2,926	£	9,486

Staff numbers (full time equivalents)				
Contractors		11	7	7
ASC Project Managers and Business Analysts		7	8	8
ICM resources		5	7	7
Total		23	22	22

2015 salary and contract rate values. No inflation is included for future years

Agenda Item 9

Executive Decision Report

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	For Decision by: Cabinet Date of decision: 6 th July 2015	
	For Decision by: Councillor Weale, Cabinet Member for Adult Social Care and Public Health Date of decision: <i>TBC</i>	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	For Decision by: Councillor Robathan Cabinet Member for Adult Social Care and Public Health Date of decision: <i>TBC</i>	 City of Westminster
Report title (decision subject)	Cardiovascular Disease Prevention Service	
Executive Director	Liz Bruce, Executive Director of Adult Social Care and Health	
Reporting officers	Judith Ralphs – Senior Public Health Commissioner Linda Pinder- Category Procurement Manager	
Key decision	Yes	
Access to information classification	Public A separate report on the exempt Cabinet agenda provides exempt information in relation to the procurement process.	

1. EXECUTIVE SUMMARY

- 1.1. This report recommends that the City of Westminster on behalf of itself, The London Borough of Hammersmith and Fulham and the Royal Borough of Kensington and Chelsea award a single supplier Framework Agreement to Supplier 2 for the provision of Cardiovascular Disease Prevention services for a period of 3 years commencing 1st October 2015, with an option to extend for one year.
- 1.1.2. This report also recommends that the London Borough of Hammersmith Royal Borough of Kensington and Chelsea and Fulham, Westminster City Council, all enter into their own Call-Off contract with Supplier 2 for the provision of Cardiovascular Disease Prevention services for a period of 3 years commencing 1st October 2015, with an option to extend for one year.
- 1.1.3. In accordance with the procurement strategy (Gate 1 CAB) that was signed off on the 22nd January 2015 and approved by the Adult Social Care Commissioning and Contract Board on the 17th November 2014, an OJEU open procurement found Supplier 2's tender to be the most economically advantageous submission.

2. RECOMMENDATIONS

2.1 This report recommends:

- 2.2.1 **For the London Borough of Hammersmith and Fulham** to note the award of a framework agreement for three years, with the option to extend for one further year to Supplier 2
- 2.2.2. To call off of the framework agreement and enter into a contract for three years from 1st October 2015, with the option to extend for a further year (subject to performance) with the recommended provider. To delegate the decision to award a one year extension to the "call off" from the framework to the Cabinet Member for Adult Social Care and Public Health in conjunction with the Executive Director for Adult and Social Care and the Section 151 Officer
- 2.3.1. **For the Royal Borough of Kensington and Chelsea**, to note the award of a framework agreement for three years, with the option to extend for one further year to Supplier 2.
- 2.3.2. To call off of the framework agreement and enter into a contract for three years from 1st October 2015, with the option to extend for a further year (subject to performance), with the recommended provider.

- 2.4.1. **For Westminster City Council** The Contract Approval Board recommend that the Cabinet Member for Adult Social Care and Public Health call off of the framework agreement and enter into a contract for three years from 1st October 2015, with the option to extend for a further year (subject to performance).

3. REASONS FOR DECISION

- 3.1.1 In accordance with the procurement strategy (Gate 1 CAB), the project team developed a specification and completed a compliant OJEU procurement to identify one provider to deliver the Cardiac Prevention Services to all three Boroughs. Out of the two providers who submitted a tender, the tender evaluation process found Supplier 2's tender to be the most economically advantageous submission. Details of the evaluation are provided in Part B.
- 3.1.2. Supplier 2's tender, which constitutes an unconditional and irrevocable offer, is financially affordable as it is within the Three Boroughs' total budgeted expenditure for this service.

4. BACKGROUND

4.1 Project Drivers

- 4.1.1 Cardiovascular Disease (CVD) which can cause heart conditions and stroke remains the second biggest cause of premature death in the area covered by the 3 boroughs and is the greatest disease-related cause of health inequalities. Most premature deaths from CVD are preventable. People with diabetes and chronic kidney disease are also at higher risk of CVD.
- 4.1.2. In LBHF 34% of all deaths were caused by CVD and H&F ranks in the worst national category for preventable CVD deaths with 268 per year.
- 4.1.3. In RBKC CVD accounts for 34% of all deaths and RBKC ranks better than the national average in preventable deaths with 185 per year.
- 4.1.4. In Westminster CVD accounted for 36% of all deaths and Westminster ranks worse than the national average with 329 preventable CVD deaths per year.
- 4.1.5. The populations of the three boroughs are different. There is higher prevalence of CVD amongst people who live in areas of deprivation, and amongst Black Minority Ethnic communities, and these populations are higher in both LBHF and WCC than in RBKC. Of the 308,963 residents who live in the top two quintiles of

deprivation in the three boroughs, 42% live in LBHF, 34% live in WCC, and 24% live in RBKC.

- 4.1.6. WCC currently commissions a cardiovascular disease prevention service from MyAction which is based at Imperial College Health Partners. This is an evidence-based community CVD prevention programme. This service is based on evidence from a multi-centred randomised controlled trial in eight European countries of a multidisciplinary, family-based cardiovascular disease prevention programme^{1,i} Among other sources of research evidence, it is also based on European guidelines for the prevention of cardiovascular disease.ⁱⁱ
- 4.1.7. An evaluation of 166 participants in this service 2013/14 demonstrated that statistically significant improvements had been made in key risk factors which included:
- Reduced Waist circumference,
 - Adoption of a Mediterranean diet,
 - Increased physical activity
 - Reductions in Blood Pressure and unhealthy lipids.
- 4.1.8. The programme has also successfully reached the most deprived parts of Westminster; 438 people from the most deprived quintile have completed the programme as compared to 157 from least deprived (from 2009-2014).²
- 4.1.9. There is no current cardiac prevention programme for LBHF and RBKC residents at high risk of CVD. There are a range of services for people with individual risk factors, to which people at high risk can be sent e.g. stop smoking services, weight watchers and dieticians, and treatments for high blood pressure, cholesterol and physical activity programmes. When patients are identified as at high risk through a health check, it is then up to the patient and to their GP if they are followed up to check whether they have taken up the referrals or treatment.

i This research found that nurse-coordinated multidisciplinary, family-based cardiovascular disease preventive programmes could statistically significantly reduce a variety of risks for CVD such as lifestyle change (including diet and physical activity); the management of raised blood pressure, lipids and blood glucose; and smoking. These factors account for most of the risk of heart attack worldwide at all ages in both men and women [see Yusef S, Hawken S, Ounpuu S, Dans T et al. Effect of potentially modifiable risk factors associated with myocardial infarction in 52 countries (the INTERHEART study): case-control study. *Lancet* 2004; 364: 937-52]

ii Perk, J, De Backer G, Gohike H, Graham I et al. European guidelines on cardiovascular disease prevention in clinical practice. *European Heart J* 2012. DOI: <http://dx.doi.org/10.1093/eurheartj/ehs092>

4.1.10. Cardiovascular disease has significant costs to the Three Borough Area;

Three Borough Costs of CVD related diseases 2012-13 (Data source: Depart of Health programme budgeting data 2012/13)

	Social costs (non NHS costs including diabetes)	Total expenditure health Including diabetes	Total expenditure health and social costs including diabetes
H&F	£1,196,000	£23,184,000	£24,380,000
RBKC	£1,054,314	£21,811,000	£22,865,314
Westminster	£2,876,000	£27,232,000	£33,853,000

Thus for an investment of £1,023,991 over three years in LBHF (see exempt report) for a CVD prevention, programme these health and social costs for LBHF may be reduced. For example each stroke prevented saves £73,000. Diabetes UK reports that one in 20 people with diabetes incurs social services costs. More than three-quarters of these costs were associated with residential and nursing care, while home help services accounted for a further one-fifth. The presence of complications increases social services costs four-fold

Reductions will occur through a percentage of the 1,200 programme participants either avoiding or delaying the onset of diabetes, heart disease and strokes, resulting in lower adult social care support needs and reduced health needs, and increased disability free years. 80% of diabetes is preventable, and diabetes accounts for 50% of preventable sight loss.

4.1.11 The new Three Borough Cardiovascular Prevention service is not designed as a MyAction programme but as an evidence-based community CVD prevention programme with a greater community focus and with hard outcome targets. The new service specification has been developed with key performance indicators using guidance and evidence from:

- Cardiovascular prevention guidance from Nice 2010³,
- European Guidelines on cardiovascular disease prevention in clinical practice 2012⁴
- Joint British Societies' guidelines on prevention of cardiovascular disease in clinical practice 2005⁵.

This includes clinically meaningful targets for reductions in blood pressure, body mass index, adoption of a cardio-protective diet, physical activity, smoking

cessation, alcohol reduction, and improvements in anxiety and depression (see appendix A for KPIs).

Activity levels of 1,350 residents per year, 400 each for RBKC and LBHF and 550 per year for WCC are based on projected figures of eligible high risk residents from NHS Health Checks and a proportion of people with diabetes and other relevant medical conditions which put them at high risk of CVD and can be referred to this programme.

The new service is also targeted to those most at risk:

- 70% of Service Users to come from the two most deprived quintiles in each of, LBHF, RBKC and WCC.
- 50% of Service Users from black, minority and ethnic groups.

5. PROCUREMENT PROCESS AND PROPOSAL

5.1. Award proposal

5.1.2. The procurement process and tender evaluation, detailed below, found Supplier 2 tender to be the most economically advantageous submission, with an overall score of 88.80%. It is therefore proposed that Supplier 2 is awarded the contract to deliver Cardiac Prevention Services across the three Boroughs.

5.1.3. Should the proposal be approved, a voluntary Alcatel standstill notification will be dispatched to the unsuccessful tenderers via capitalEsourcing notifying them of the outcome of the exercise. A standstill period of 10 days will then be applied prior to formal award of the contract.

5.2. Gate 1 CAB - Procurement Strategy

5.2.1. In accordance with the procurement strategy (Gate 1 CAB) that was signed off in 22nd January 2014 and by the Adult Social Care Commissioning and Contract Board, the project team ran an OJEU open procurement.

5.2.2. Approval was agreed to let a single supplier Framework where each borough will call off their own 3 +1 year contract from the Framework.

This solution:

- Provides consistent service provision across all boroughs contracting on the same terms of contract and for the same length of time;
- Means there is one supplier to manage and develop relationships with;
- Contributes to the consolidation of the Cardiac prevention supply base;

- Delivers cost benefits to the three boroughs through supplier economies of scale and increased attractiveness of opportunity.

5.2.3. A Price: Quality ratio of 50:50 was used to evaluate Tenders; approval for the quality/price split was sought and approved by the Westminster Cabinet Member for Finance, Corporate and Customer Services and Contract Approval Board.

5.2.4. The procurement was run in full compliance with public procurement legislation. An OJEU notice was published and tenderers were invited to complete a three stage process (open procedure).

5.3. Gate 1 – Contract Model

5.3.1. The contract model that was agreed as part of the procurement strategy at Gate 1 CAB was: to run a single supplier framework, with Westminster as the host Borough with each of the other Boroughs calling off against the framework

5.3.2. This strategy allows for each Borough to retain its sovereignty and provides the benefits that the economies of scale the Tender can achieve.

5.4. Gate 2 – Supplier Selection Overview

5.4.1. The Invitation to Tender (ITT) documents were released to all providers via capitalEsourcing on 16th February 2015. ITT documents included: a detailed Specification outlining the requirements of the service; Instructions to Tenders document which explain how Tenderers should complete the Tender and how the Tender will be evaluated; a Form of Tender; and a Commercial and Technical response document. Tenderers were given six weeks to submit their bid, with the closing date set at 30th March 2015.

5.4.2. Tenderers were required to complete a three stage evaluation process as set out below:

Qualification Envelope (pass / fail)	Insurance, history of providing the service and financial standing, this section covered: Form of Tender; Compliance Table;
Technical Envelope (50%)	Tenderers were assessed on the basis of their written responses to the published award criteria
Commercial Envelope (50%)	Tenderers were assessed on the total three year price.

5.4.3. Both tenderers were compliant.

- 5.4.4. Tenderers were able to ask clarification questions until 4th March 2015, during this time the project team received only three clarifications. All clarifications were responded to via the portal. All clarification questions came from one of the Tenderers.
- 5.4.5. Twelve providers did not partake in the process beyond opening the initial details on the capitalEsourcing portal. These providers were asked why they hadn't responded; only one provided a response saying that they did not have the required time to be able to give a good account of their processes, and provide the attention to detail that a programme such as this would require.
- 5.4.6. On the 30th March 2015, the Tenders were opened on capitalEsourcing. Two Tenders were submitted from the following organisations:
- Supplier 1
 - Supplier 2
- 5.4.7. The two Tenders that were submitted both passed the Qualification envelope. They were then evaluated against the Technical and Commercial award criteria detailed in Appendix A.

5.5. Gate 2 - Technical Evaluation

- 5.5.1 Tenderers could receive a maximum weighted score of 50% for the Technical Envelope (Quality). Tenderers were assessed on the basis of their submissions to the award criteria. The criteria reflect the Requirements outlined in the Specification. Each award criteria has a sub-weighting to ensure that its relative importance is reflected in the overall scores. The sub-weightings add up to 100%.
- 5.5.2 Each member of the evaluation panel marked each Tenderer's written submissions individually, scoring it against the relevant section of the Specification/ Requirement and the Marking Scheme.
- 5.5.3 Before this information was shared between members of the evaluation panel in order to reach a consensus score, Tenderers were required to undertake a clarification meeting, the meeting was not assessed but was used to clarify the evaluation panel's understanding of some of the technical responses. The clarification meetings took place on the Friday 24th April 2015.
- 5.5.4 The panel then met to reach a consensus score for each Tenderer's response to each award criteria on 24th April 2015. The final consensus scores were then multiplied by their relevant sub-weighting and applied to a formula to calculate their percentage score for Quality. Each Tenderer's scores are shown in detail in Exempt report Appendix B.
- 5.5.5 The outcome of the Technical Envelope Evaluation is shown below:

Technical Evaluation Panel J Ralphs, C Mead, M Henry, Dr T Willis & Dr Neha Shah	Final % Technical score Envelope – maximum 50% (details in Appendix A)
Supplier 2	38.80%
Supplier 1	34.80%

5.6 Gate 2 – Commercial Evaluation

5.6.1 Tenderers could receive a maximum weighted score of 50% for the Commercial Envelope. Tenderers were assessed on the Total 3 Year Cost. The scores for the Commercial Envelope are shown below:

	Commercial score Envelope maximum 50%
Supplier 2	50%
Supplier 1	37.92%

5.7 Gate 2 – Final Evaluation Scores

5.7.1 Each Tenderer's percentage score for the Technical Envelope and Commercial Envelope were then added together to determine the most economically advantageous submission, i.e. the one with the highest total percentage awarded. The outcome is shown below:

	Technical Score	Commercial Score	Final Score	Overall
Supplier 2	38.80%	50.00%	88.80%	
Supplier 1	34.80%	37.92	72.72%	

5.7.2 Consequently it is proposed that Supplier 2 is awarded the Contract to supply Cardiac Prevention Services across the three Boroughs.

5.8 Non-Financial Benefits

- 5.8.1 As shown in paragraph 5.5.5, Supplier 2 scored highest on quality. The Tender Evaluation Panel are of the opinion that Supplier 2 will:
- 5.8.2 Deliver all of the Requirements in the Specification (see Part B) to a high standard
- 5.8.3 Provide a new service for residents in LBHF and RBKC and who currently do not have a contract.
- 5.8.4 The service will be for 400 LBKC residents per year

5.9 Contract Mobilisation

- 5.9.1 As part of their Tender, the recommended provider submitted a contract mobilisation plan and outlined a plan for implementation. In order to ensure a smooth contract mobilisation process, upon contract award this plan will be reviewed and updated to ensure key activities are logged and responsibilities assigned.
- 5.9.2 Mobilisation Meetings will be scheduled and begin immediately.
- 5.9.3 The Supply Contract contains a timeline of key activities that the project team agreed prior to going out to Tender. This will shape development through to the planned 'go live date' of 1st October 2015.
- 5.9.4 There is a scheme of incentivised payments to ensure targets are met. 20% of payment is held back, and paid incrementally once 90% and 100% of activity targets are met.
- 5.9.5 Supplier 2 will attend quarterly meeting, and produce reports which will include detailed information relating to activity targets, Progress on achieving the objectives and outcomes as provided in the Tender documentation.

6. CONSULTATION

- 6.1. The Adult Social Care Commissioning and Contract Board approved the recommendations set out in this report on 22nd January 2015.

Cabinet Members for Public Health and Adult Social Care were updated on the commissioning process on:

- 6.1. Consultation meeting with Cllr Lukey held on October 23rd 2014
- 6.2. Consultation meeting with Cllr Weale held on October 10th 2014

6.3. Consultation meeting with Cllr Robathan held on November 18th 2014

7. EQUALITY IMPLICATIONS

7.1. An equality impact analysis was undertaken prior to tender and the findings integrated into the specification. The service has been designed to ensure high take up in areas of deprivation and black and ethnic minority groups.

8. LEGAL IMPLICATIONS

8.1 This service has been commissioned by Westminster City Council on behalf of the Three Boroughs. The service has been commissioned in line with the Local Authorities' new duties under the Health and Social Care Act 2012. Westminster City Council will enter into a framework agreement with the successful provider. Westminster City Council and the other boroughs will then each enter into their own call-off contract with the successful provider under the framework agreement. Legal advice on the procurement process has been provided by Sharpe Pritchard.

8.1.2 The proposed contract award has been carried out in accordance to the Three Boroughs Contract Standing Orders and the relevant Public Contracts Regulations.

8.1.3 Bi-Borough Legal Services will be available to assist the client department with preparing and completing the necessary contract documentation. Implications for LBHF and RBKC completed by: Kar-Yee Chan, Solicitor (Contracts), 020 8753 2772 and by Rhian Davies, Corporate Solicitor, for WCC.

9. FINANCIAL AND RESOURCES IMPLICATIONS

9.1. The available budget across the three councils is £5.4m over 3 years (£7.2m over 4 years 3+1 year extension) as follows:

	2015/16 (6 months) (£)	2016/17 (£)	2017/18 (£)	2018/19 (6 months) (£)	Total 3 Yr budget (£)	(1 Yr extension) (£)	Total 4 Yr budget (£)
LBHF	200,000	400,000	400,000	200,000	1,200,000	400,000	1,600,000
RBKC	200,000	400,000	400,000	200,000	1,200,000	400,000	1,600,000
WCC	500,000	1,000,000	1,000,000	500,000	3,000,000	1,000,000	4,000,000

Total	900,000	1,800,000	1,800,000	900,000	5,400,000	1,800,000	7,200,000
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9.1.2. The budgets for each borough will be held within the respective borough.

9.1.3. Implications for LBHF, RBKC and WCC have been verified by: Tim Carr Public Health Finance Business Partner.

10. RISK MANAGEMENT

10.1. Adult Social Care and Public Health operate within a risk management framework based on the Shared Services agreed policy. Risks are identified, assessed and reviewed with mitigations planned against perceived risk. Market testing and maintaining statutory duties are key risks on the Strategic Shared Services risk register, risks numbers 4 and 8 respectively. The report proposals positively contribute to the management of Public Health Service risks as also noted on the risk register as do the projected savings contribute to the management of budget risk, risk number 1.

10.2. Implications verified by Michael Sloniowski, Shared Services Risk Manager, telephone 020 8753 2587.

11. PROCUREMENT IMPLICATIONS

11.1. Procurement implications are contained throughout the body of the report and have been reviewed by Westminster Procurement Team.

11.2. The procurement set out in the body of the report has been carried out in accordance with each authority's contract standing orders and procurement legislation. This was a Part B service when the procurement commenced and has been carried out in accordance with all EU and UK procurement legislation. Nevertheless, the procurement process has also adhered to the principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality.

11.3. The award recommendation adheres to the three Boroughs' Contract Standing Orders.

11.4. The current contract with current supplier expires on 30th September 2015. The project team had planned to award in Mid July 2015 in order to allow 2 months for mobilisation.

Appendix A

KPIs for new CVD prevention service

Outcome	Key Performance Indicator	Method of Measurement	Period of Activity Covered
Prioritisation of health inequality groups	70% of Service Users to come from the two most deprived quintiles in each of LBHF, RBKC and WCC. 50% of Service Users from black, minority and ethnic groups.	i. Proportion of Service Users from each lower supra output areas post codes. ii Proportion of Service Users from minority ethnic groups starting and completing programmes. iii all protected characteristics.	Quarterly
Services are accessible to the groups at risk	At least 65% of appropriate referrals start a prevention programme.	i. Sources of referrals ii. Numbers of referrals iii Types of referrals reason for delays or non-starters. iv. Diagnosis if CKD, diabetes, HIV or other condition associated with increased risk.	Quarterly
The Provider works with the whole family to increase likelihood of behaviour change	For Service Users with families: At least 50% have family members who attend initial appointments or part of the programme.	Assessment and programme records. Number who attended at least initial appointments or part of the programme Reasons why family members have not attended.	Quarterly
The Services successfully engage with Service Users so they are able to make changes	At least 65% of patients complete the course	Reasons for drop out, time of drop out and demographic characteristics of drop outs.	Quarterly
The Services reduce CVD risk in at risk group (≥15% CVD risk in 10 years)	75% of Service Users who complete the programme make reduction in at least one risk factor These risk factors are:	Clinical measurement	Quarterly
	Blood Pressure 70% of Service Users, who on initial assessment had blood pressure higher than recommended levels of:	Before and at the end of programme results.	Quarterly


	<p>≤ 140/90 ≤ 130/80 for CKD and diabetes</p> <p>are within these limits at the end of programme.</p>		
	<p>Smoking Cessation</p> <p>10% of those Service Users who smoke at programme start have achieved a four week quit rate. Another 10% have a harm-reduction plan.</p>	<p>Clinical data / questionnaires, before and at the end of programme and carbon monoxide testing.</p>	<p>Quarterly</p>
	<p>Body Mass Index</p> <p>For Service Users with a BMI of > 25:</p> <p>40% of this cohort reduces BMI by 5% by end of programme. 55% of this cohort make a reduction in BMI score.</p>	<p>Standardised clinical measure.</p>	<p>Quarterly</p>
	<p>Waist circumference</p> <p>45% Service Users with waist measurement >102 cm male >88cm female Reduce their waist measurement by 2%</p>	<p>Before and at the end of programme results.</p>	<p>Quarterly</p>
	<p>Lipids</p> <p>85% being prescribed atorvastatin 20mg via a recommendation to GP unless the drug is contraindicated</p>	<p>Clinical data/questionnaires before and at the end of programme results. Levels of Total Cholesterol and LDL recorded</p>	<p>Quarterly</p>
	<p>Cardio protective diet</p> <p>50% of Service Users achieving a 2 point increase in Mediterranean diet score or similar standardized measure</p>	<p>Mediterranean diet questionnaire or similar standardised validated questionnaire/s.</p>	<p>Quarterly</p>
	<p>Physical activity</p> <p>70% of Service Users achieving personalised physical activity target.</p> <p>45% of Service Users who were previously inactive are undertaking at least 150 minutes per week of moderate intensity physical activity by end of programme</p>	<p>Clinical data/questionnaires before and at the end of programme results.</p>	<p>Quarterly</p>

	Anxiety and depression 100% of Service Users to be assessed for psychological comorbidity and 60% of those with clinically significant scores to achieve a reduction in score on an appropriate and approved mental health scoring tool e.g. HADS.	number of Service Users seeing clinical psychologist as 1:1 session and in groups following assessment. Validated questionnaires such as HADS.	Quarterly
	Alcohol 20% reduction in units drunk per week in 65% those who were above recommended daily levels. Number and percentage of: Men drinking > 21 -28 units a week; Women >14 units a week.	Clinical data/questionnaires to measure units of alcohol before and at the end of programme results	Quarterly
Service Users views and experiences contribute to Services improvement	80% of Service Users satisfied with the quality of Services and Staff.	“family and friends questionnaire ” Feedback by age, gender and ethnicity. number and type of complaints.	Quarterly
Service User safety is upheld	Minimal number of Serious Incidents and adequate remedial action taken	Complaints and Serious Incidents	Quarterly

References;

- 1 Wood DA, Kotseva K, Connolly S, Jennings C, Mead A, Jones J, et al. Nurse-coordinated multidisciplinary, family-based cardiovascular disease prevention programme (EUROACTION) for patients with coronary heart disease and asymptomatic individuals at high risk of cardiovascular disease: a paired, cluster-randomised controlled trial. *Lancet* 2008 Jun 14;371(9629):1999-2012.
- 2 MyAction Annual report 2013-14
- 3 Prevention of cardiovascular disease NICE 2010
- 4 European Guidelines on cardiovascular disease Prevention in clinical practice (version 2012) *European Heart Journal* (2012) 33, 1635–1701
- 5 Prevention of cardiovascular disease in clinical practice
Heart 2005 91: v1-v52
Prepared by: British Cardiac Society, British Hypertension Society, Stroke Association
Diabetes UK, HEART UK, Primary Care Cardiovascular Society,

Executive Decision Report

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	For Decision by: Full Cabinet Date of decision: 6 th July 2015	
	Cllr Mary Weale Cabinet Member for Adult Social Care, Public Health and Environmental Health	
	Cllr Rachael Robathan, Cabinet Member for Adults and Public Health	
Report title (decision subject)	Public Health 0 – 5 years services , Direct Award Report	
Reporting officer	Eva Hrobonova, Acting Director of Public Health, Westminster	
Key decision	Yes	
Access to information classification	Public. <i>A separate report on the exempt Cabinet agenda provides exempt information in relation to risks, legal, financial and resource implications.</i>	

1. EXECUTIVE SUMMARY

- 1.1. In April 2013, the commissioning responsibilities for 0-5 Public Health services transferred nationally from individual Primary Care Trusts to NHS England.
- 1.2. From 1st October 2015, the commissioning responsibility for the Public Health Services for 0-5 year olds, Health Visiting and FNP (Family Nurse Partnership), will transfer from NHS England to individual local authorities.
- 1.3. NHS England's current contracted supplier for all three boroughs is Central London Community Healthcare NHS Trust (CLCH).
- 1.4. This report seeks approval (by Westminster City Council, London Borough of Hammersmith and Fulham and the Royal Borough of Kensington and Chelsea) to continue the same provision and award service contracts on local authority terms and conditions to Central London Community Healthcare (CLCH), effective from 1st October 2015 till 30th September 2017 (24 months). The service provision will continue to be delivered on the existing service specification requirements.
- 1.5. The contract award will benefit the three authorities as it will give time for Public Health officers to work with CLCH, children's services and other stakeholders to review the existing service arrangement, review the existing performance, review the finances of the services across the three authorities and present a service review plan and re-commissioning proposal which would plan to meet future demands and un-met needs.

2. RECOMMENDATIONS

- 2.2. To note the recommendations for Westminster City Council, London Borough of Hammersmith and Fulham and The Royal Borough of Kensington and Chelsea (contained in the exempt report on the exempt Cabinet agenda).

3. REASONS FOR DECISION

The commissioning responsibility for the PH 0-5 services presently contracted by NHS England will transfer to the three boroughs, the agreed funding allocations for each borough's service will also be transferred to local authorities as part of the Public Health grant, from 1st October 2015.

NHS England Commissioning Guidance (November 2014) requires that clear and robust contractual arrangements must be in place between commissioners and service providers to ensure safe transfer and continuity of service from 1st October 2015.

Consequently, new local authority contracts are required to be in place from this date.

A 24 month sovereign contract (ending 30th September 2017) is proposed for each borough to allow sufficient time to review and re-commission and procure services, incorporating a new integrated early years model and in line with Best Start in Life strategy.

The new contract terms and conditions will include provision of a fixed cost over the 24 months period, a three month notice period, enabling notice to be issued before the end contract date if required.

4. BACKGROUND

- 4.1 In April 2013, the three borough councils of the London Borough of Hammersmith & Fulham, Royal Borough of Kensington and Chelsea and Westminster City Council took responsibilities for the hosting arrangement to commission a range of public health services including sexual health services, school nursing, NHS health checks and substance misuse services. This was in accordance with the legislation abolishing Primary Care Trusts whereby their commissioning functions for Public Health services transferred to local authorities.
- 4.2. A Public Health Procurement strategy was developed and presented to the ASC Contracts and Commissioning Board in November 2013, and also to other senior officers in the three borough authorities. This report had set out the commissioning intentions for the range of services inherited from the NHS. The strategy also documented the approach to be taken to re-commission the services through a programme of competitive re-tendering, whilst also acknowledging all inherited contracts should be extended for a period of 2 years from April 2014.
- 4.3. Now that the 0-5 Public Health services are also transferring to local authorities, when these new services transfer to the local authority, the Public Health Procurement Strategy will be updated to account for the inclusion of this new provision.

5. PROPOSAL AND ISSUES

- 5.1 It is a priority for the three authorities to ensure a seamless service for children under 5. As there is an existing contract between CLCH and NHS England for the three authorities, the best course of action, as further analysed below, is to continue the relationship with the current provider under an interim arrangement and re-tender or re-commission as soon as appropriate, thereafter in accordance with the PH Commissioning & Procurement Plan.
- 5.2 This involves a direct award of contract which carries risk of procurement challenge as set out below.

- 5.3 Contract monitoring of all contracts will be substantially improved from now onwards through tighter specifications and greater emphasis on quality assurance.

6. OPTIONS AND ANALYSIS

- 6.1 The responsibility for delivering the Public Health 0-5yrs services will transfer from NHS England to the three borough public health teams from 1st October 2015. While some preparatory work can be done before this, the authority officers will only then be able to engage with the service provider, wider stakeholder to complete an extensive service review. This will review all aspects of service delivery, service performance, finance and future demands. The service review report will then inform the re-commissioning/ tendering for the new service model. We therefore recommend award of an interim contract to NHS England's current provider CLCH for a period of 24 months for these services.

- 6.2. This timeline will ensure that:

6.2.1. the Public health officers are able to complete a comprehensive programme of service review working closely with children's commissioning directorate officers;

6.2.2. procurement category officers have sufficient time to analyse whether there is a market in these services;

6.2.3. procurement category officers are able to complete the tender process through to award decision across the three boroughs.

- 6.3. We do not want to re-commission new services in a silo. We are looking to map and reshape services based on overall Council priorities. This will include understanding where public health services overlap with other services being commissioned elsewhere in the three councils.

The Cabinet Members for Adults Social Care and Public Health have agreed an approach to prioritise a number of procurement projects over the entire Public Health portfolio. They have agreed an overall PH Commissioning and Procurement Timetable for the period 2015/16, subject to a 6 monthly review.

- 6.4 At this stage only a limited analysis has been done to ascertain the extent of the markets for these services. It is highly likely that across all London boroughs, the Primary Care Trusts (and subsequently NHS England) commissioned these services from a local NHS Trust, such as a nearby hospital or a community healthcare NHS Trust such as CLCH. It is therefore considered that there is a limited market at present while current providers focus on transfer to new commissioners. A supplier engagement event will be hosted during the procurement phase in 2016.

- 6.5 The current contract between NHS England with CLCH across the three boroughs is for one year from 1st April 2015. However, on the basis of the three boroughs' decision, this contract will be ended on 30th September 2015.

The local authorities considered the following before a decision to direct award was made.

- Novate the NHSE contract to the three boroughs, to cover for the period of 1st October 2015 – 31st March 2016. However this approach has been rejected for the following reasons:
- It would only cover for the first 6 months, and a new contract would still be required from 1st April 2016 on the basis of direct award (there being insufficient time to tender a contract now to get a service in place for 1st April 2016)
- Legal advice has confirmed that novation of a contract can only occur between one outgoing client and one new client; it is therefore not possible for NHS England to novate part of its existing contract to each of the three boroughs
- Even if novation were legally possible, the transfer of the contract under a novation would have to be on the existing terms. The lack of familiarity of officers across the three boroughs in working with the NHS Standard Terms of Contract, especially its monitoring and payment framework, means that this option would not be preferred.

6.6 In light of paragraph 6.5, it is proposed that there is a new contract on local authority terms and conditions from 1st October 2015. The three boroughs will be asking NHS England to terminate its contract with CLCH on 30th September 2015. However, the three authorities will be required to use the same pricing structure as currently appears in the NHS England contract, at least initially.

7. RISK OF PROPOSED INTERIM APPROACH

7.1 These are in the exempt report on the exempt Cabinet agenda.

8. RISK OF PROCUREMENT CHALLENGE

8.1 These are in the exempt report on the exempt Cabinet agenda.

9. CONSULTATION

9.1 It is planned that each service review, redesign and procurement will fully engage with residents, Council stakeholders and external stakeholders. Preparation for the service review has already started, incorporating the three authorities "Best Start in Life" strategic commissioning intentions to develop a new integrated early years' service model.

9.2 Procurement and Public Health officers will host a supplier engagement/meet the supplier workshop. This will allow suppliers to meet with the authority officers engage with other suppliers at the event. This always ensure voluntary /small, medium enterprise/organisation have the opportunity to discuss consortia/partnership with other organisation that they can potentially work with as and when the services are tendered.

10. EQUALITY IMPLICATIONS

- 10.1 The services are currently provided by the NHS. The transfer of functions may have equality implications. A full EIA will need to be completed as part of new proposals for service provision prior to starting a tender process.

11. LEGAL IMPLICATIONS

- 11.1 These are in the exempt report on the exempt Cabinet agenda.

12. FINANCIAL AND RESOURCES IMPLICATIONS

- 12.1 These are in the exempt report on the exempt Cabinet agenda.

13. PROCUREMENT IMPLICATIONS

- 13.1 Procurement advice has been provided by Westminster City Council's Strategic and Commercial Procurement Team. In line with agreed protocols for Public Health services, Westminster procurement processes have been followed. The Strategic Procurement report for Public Health has been agreed by officers of the Contracts Approval Board, where colleagues at Hammersmith and Fulham and Kensington and Chelsea provided input and advice in its formulation.

Director name


Eva Hrobonova
Deputy Director of Public Health, Westminster

Local Government Act 1972 (as amended) – Background papers used in the preparation of this report - December 2013, The “Public Health Procurement Plan and Contract Award or Extension Report” Executive Decision Report (EDR)

Family and Children’s Public Health Commissioner: Julia Mason,
jmason@westminster.gov.uk, 0207 641 4653

Sunil Panchal, Commercial Contracts Manager, spanchal@westminster.gov.uk, 0207 641 4043

Agenda Item 11

 hammersmith & fulham	London Borough of Hammersmith & Fulham CABINET 6 JULY 2015
APPROVAL TO ESTABLISH A FRAMEWORK FOR THE PROVISION OF NEW TEMPORARY ACCOMMODATION AND ASSOCIATED MANAGEMENT SERVICES	
Report of the Cabinet Member for Economic Development and Regeneration : Councillor Andrew Jones, Cabinet Member for Housing : Councillor Lisa Homan and Cabinet Member for Social Inclusion : Councillor Sue Fennimore	
Open Report. A separate report on the exempt Cabinet agenda provides exempt information in connection with the tendering evaluation.	
Classification: For Decision Key Decision: Yes	
Wards Affected: All Wards	
Accountable Directors: Mike England, Lead Director for Housing; Kathleen Corbett, Lead Director for Housing	
Report Author: Matthew Doman, Development Manager	Contact Details: 0208 753 4547 matthew.doman@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The Administration has established improving services to homeless people as a major priority and this was a key feature of its manifesto. Homelessness and lack of access to good quality accommodation has a major impact on many aspects of the quality of life for residents of the Borough, including their health, mental health, educational attainment and the prospect of gaining and sustaining employment.
- 1.2. The lack of security of a suitable home excludes people from being able to participate fully and effectively in the social and economic life of the Borough. For this reason it is an early and major focus for the Council's Social Inclusion Strategy.

- 1.3. Like other London Boroughs the Council is facing a severe shortage of permanent affordable housing. As a result there are currently over 1200 households in different forms of temporary accommodation, most within the Borough but a significant and growing proportion in other London Boroughs. Although the commitment of the Administration to the provision of more permanent affordable housing will contribute to improving the position, a substantial portfolio of temporary accommodation will be required for the foreseeable future.
- 1.4. At worst, and where there is no alternative, the Council is forced to make use of unsuitable Bed and Breakfast accommodation on a short term basis. However, most of the temporary accommodation used is owned by private landlords. It is procured in a number of different ways; partly through an in-house team and partly through agents or 3rd parties, some of which operate under a joint arrangement established by a number of West London boroughs, including LBHF. Procurement is becoming increasingly difficult. This is due partly to the effect of Government restrictions on Housing Benefit and partly to the very high level of private sector rents in the Borough, which make it increasingly attractive for landlords to let their properties on the open market rather than to residents nominated by the Council.
- 1.5. As a result, the Council is inevitably reacting to the market rather than being in a position to plan its procurement. The properties are procured for the short term and the fact that increasingly they are outside the Borough places enormous strains on the families concerned and their ability to plan their lives, the education of their children and their future employment.
- 1.6. This report represents an innovative attempt to break into this deteriorating position and introduce a more planned approach to providing better quality accommodation, on a more secure, longer-term basis, in or close to Hammersmith & Fulham. In particular it will allow the Council to reduce or eliminate the use of Bed & Breakfast accommodation for families with children.
- 1.7. Two different forms of accommodation are proposed. First, interim accommodation provided on local authority land. This would be provided to residents on a shorter-term basis and would be a better-quality and more cost-effective alternative to Bed & Breakfast. Second, the procurement for longer-term occupation of existing accommodation currently in 3rd party ownership.
- 1.8. Specifically, the report seeks authority to establish a framework agreement for the provision of new temporary accommodation. Lot 1 is to undertake

the development of new residential accommodation on nominated local-authority owned sites. Lot 2 is to source and provide existing residential/short-term accommodation on sites identified by the contractor, which may be located in the borough, or potentially elsewhere. The report also seeks authority to undertake a mini-competition for Lot 2 for the procurement of an additional 50 suitable units for use as temporary accommodation.

- 1.9. Through this framework the Council will be able to benefit from access to private sector and institutional finance to deliver financially viable schemes.
- 1.10. Procurement of new temporary accommodation can be provided on a full turn-key basis and will include development management services and full facilities management.
- 1.11. The framework will be in operation for a four year period from the date of establishment.
- 1.12. Officers have considered the practical and financial implications of the Council undertaking directly the development and acquisition envisaged within the procurement frameworks. These are set out in paragraphs 5.24-5.25 and 8.10 – 8.15.

2. RECOMMENDATIONS

- 2.1 That approval is given to establish a framework for the provision of new temporary accommodation and management services. The framework is divided into two lots: Lot 1 involves the construction and management of accommodation on Council owned land; Lot 2 involves the framework panel sourcing and procuring existing properties from the open market and leasing them to the Council for the provision of short term accommodation.
- 2.2 To approve the appointment of Tando Property Services Limited and Hill Holdings Limited to the framework for the provision of services under Lot 1.
- 2.3 To approve the appointment of Tando Property Services Limited, Hill Holdings Limited and Mears Ltd to the framework for the provision of services under Lot 2.
- 2.4 To approve feasibility work for the redevelopment of Lavender Court as it has been identified as outdated and the site is under-developed and can accommodate a significantly higher number of residential units.

- 2.5 To approve the undertaking of a mini-completion under Lot 2 for the provision of additional 50 units suitable for the provision temporary accommodation.
- 2.6 To delegate authority to the Cabinet Member for Economic Development and Regeneration, in conjunction with the Cabinet Member for Finance, the Lead Director of Housing and the Director of Planning, Regeneration and Growth to agree any outstanding terms or amendments to the legal documents in advance of the establishment of the framework agreement.
- 2.7 To delegate authority to the Cabinet Member for Economic Development and Regeneration, in conjunction with the Cabinet Member for Finance and the Lead Director of Housing to approve the initiation of future framework mini-competitions for procurement of additional temporary accommodation to meet the Council's requirements.
- 2.8 That approval is given to incur additional professional fees to establish the framework agreement as set out below:
- An additional £10,000 for legal work to be undertaken by Sharpe Pritchard
 - An additional £5,000 for procurement management work to be undertaken by Lambert Smith Hampton
 - Contingency of £5,000
- 2.9 That approval is given for additional professional fees of up to £20,000 for ongoing legal, property and technical advice to the Council post the establishment of the framework agreement.
- 2.10 To note the considerations which would arise if the Council were to undertake directly the development and acquisition which are the subject of this report; these are set out in paragraphs 5.24 - 5.25 and 8.10 to 8.15.

3. REASONS FOR DECISION

- 3.1 To enable the improvement of the quality and range of accommodation that the Council is able to offer people in need of temporary accommodation and in particular to reduce or eliminate the use of Bed and Breakfast.
- 3.2 To enable the Council to procure and manage new temporary accommodation in an efficient way without the need to undertake a full OJEU procurement exercise each time, which would be time-consuming and costly.

- 3.3 Enabling the provision of additional accommodation will reduce the reliance on private sector leasing and reduce costs.
- 3.4 To enable the redevelopment of existing Council owned sites for temporary accommodation without the need to raise funds directly.

4. INTRODUCTION AND BACKGROUND

Establishing Need and Demand

- 4.1 The Administration has established improving services to homeless people as a major priority. Homelessness and lack of access to good quality accommodation has a major impact on many aspects of the quality of life for residents of the Borough, including health, mental health, educational attainment and the prospect of gaining and sustaining employment.
- 4.2 The Council has found it increasingly difficult to procure temporary accommodation from private sector landlords. This is due partly to the state of the private housing market, where landlords have been able to demand rents higher than the Council can afford to pay, and partly because of the uncertainty around forthcoming changes to the benefit system. In combination with some increase in demand, this has led the use of unsuitable and expensive temporary accommodation such as Bed & Breakfast hotels.
- 4.3 The Council has major statutory obligations around homelessness which in turn have major financial implications for the Authority through the provision of temporary accommodation. There are currently over 1200 households in different forms of temporary accommodation, most within the Borough but a significant and growing proportion in other London Boroughs. Although the commitment of the Administration to the provision of more affordable housing will contribute to improving the position, a substantial portfolio of temporary accommodation will be required for the foreseeable future. The difficulty of securing temporary accommodation within the borough places great strains on the families concerned, who may be faced with disruption to their social and community networks, their education and their employment
- 4.4 There is likely to be a growth in temporary accommodation costs over the next few years if current trends and policies continue. When combined with the budget reductions facing the Council over the next few years, it is clear that there is a major challenge to be addressed in containing and reducing costs on temporary accommodation while still providing good quality accommodation in, or as close as possible to the Borough.

- 4.5 In 2013/14 there were a total of 1536 homelessness approaches in LBHF. The approaches in 2013/14 resulted in 509 formal homelessness applications. Of these, 385 (76%) were accepted. Acceptances are rising. The 385 in 2013/14 is up from 283 in 2012/13 and 202 in 2011/12. The explanation appears to be the level of rents in the private sector and the impact of welfare reform on benefit levels.
- 4.6 Some London Boroughs have started to use “nightly lets”, spot purchasing from private landlords on the same financial basis as B&B. LBHF has resisted this up to this point on the grounds of cost and because it serves to undermine the ability to source private sector accommodation on a long-term basis at levels affordable to residents. This report seeks to put in place arrangements for the procurement of temporary accommodation which is of better quality, in or close to the borough and which is available on a secure, long-term and planned basis.

Establishment of a Framework for Temporary Accommodation

- 4.7 The establishment of a framework for the delivery of temporary accommodation will enable the Council to procure much needed accommodation in the future without the need to undertake a full OJEU procurement exercise each time new provision is required. This will significantly speed up the process and reduce costs.
- 4.8 Through the establishment of a framework the Council will be able to secure new temporary accommodation on either suitable local authority owned land or existing residential property currently in third party ownership. It is intended that the location of the new temporary accommodation will be within or close to the borough.
- 4.9 The framework will also enable the Council to benefit from access to private sector and institutional finance to deliver financially viable schemes. Procurement of new temporary accommodation will be on full turn-key basis with development management services and full facilities management provided.
- 4.10 The framework will be split into two Lots that will allow for the supply of new temporary accommodation through two different delivery mechanisms. These are:
- 4.11 Lot 1: To undertake development of new residential accommodation for short term occupancy on nominated Local Authority owned sites or third party sites which may be located in Hammersmith & Fulham or on sites in other locations subject to agreement, with full turnkey development management and facilities management services. The framework will also

be open to the Royal Borough of Kensington & Chelsea and Westminster City Council should they choose to use it for sites in their own area.

- 4.12 Lot 2: To source and provide existing residential/short term accommodation on sites identified by the contractor, which may be located in the Borough or potentially elsewhere. This Lot is expected to be used where the accommodation is required to a faster timetable than could be delivered under Lot 1. Again, this framework would be available to RBKC and WCC should they wish to use it.

Tenancy Management

- 4.13 In addition to the development and building management services required the Council may require partners to provide tenancy management services. This will be an optional arrangement assessed on a site by site basis.

Framework Procurement

- 4.14 The objective of establishing the framework is to engage development/ investment partners to:

- Undertake development of new short term accommodation on suitable local authority owned/third party land;
- Access additional supply through the acquisition and/or conversion of existing residential properties (within tri-borough and surrounding areas) to short term accommodation;
- Develop viable financial models to deliver additional supply by accessing private sector and institutional funding;
- Secure a full turn-key development service including design, planning, engineering, project management, etc;
- Undertake full management of new facilities.

- 4.15 Cabinet approval for the establishment of a framework agreement for the provision of temporary accommodation was granted on the 9th December 2013. Following this decision a regulated procurement exercise commenced (via competitive dialogue) to identify private sector partners to establish a framework.

- 4.16 The Council began the procurement exercise by publishing a notice in the Official Journal of the European Union (OJEU) on 3rd March 2014 and placing an advertisement in the Estate Gazette seeking expressions of interest from the market. A total of four Pre Qualifying Questionnaires (PQQ) were returned for Lot 1 and six PQQ for Lot 2 .
- 4.17 PQQ submitted were assessed and following Cabinet Member approval on 20th May 2014 the bidders listed below were invited to participate in competitive dialogue:

Lot 1

- Genesis Housing Association
- Hill Holdings Limited
- Mill Community Homes Limited
- Tando Property Services Limited

Lot 2

- Genesis Housing Association
- Hill Holdings Limited
- Mears Limited
- Tando Property Services Limited

- 4.18 Prior to entering in to competitive dialogue Mill Community Homes Limited withdrew from Lot 1 citing that they were no longer interested in participating in the procurement. Genesis withdrew from Lot 2 during the dialogue process.
- 4.19 Dialogue was designed to be an elaborative process and was undertaken over the course of three sessions. The first session held in July 2014 provided introductions and set out the full scope of what was expected. Subsequent sessions in August 2014 and September 2014 provided the opportunity for the Council and each bidder to review progress, make comments and provide clarifications.
- 4.20 Once it was established that bidders were clear on what was expected dialogue was closed and bids invited for submission on 14th November 2014.
- 4.21 Genesis Housing Association withdrew from Lot 1 prior to submitting a bid explaining that upon reflection their board of trustees no longer thought that being party to the framework aligned with their strategic objectives.

- 4.22 Evaluation was undertaken in December 2014 and the evaluation panel comprised Council officers and a representative of Lambert Smith Hampton (LSH). Sharpe Pritchard undertook the legal assessment and attended clarification meetings. Below are the results of the evaluation.

Tender Evaluation

- 4.23 Bids were evaluated on three key criteria with 50% awarded for the quality of the proposals, 40% for the financial proposals and 10% allocated for legal assessment.

Lot 1

- 4.24 Bidders were asked for responses to a number of Quality and Financial Questions and to submit proposals for the redevelopment of the existing facility at Lavender Court for assessment purposes.
- 4.25 The scoring methodology allowed for scores between 0-10 and instruction that if a bidder failed to score 3 or above in any of their responses the Council would have the ability to reject the bid.

Lot 2

- 4.26 Bidders were asked for responses to a number of Quality and Financial Questions and to submit proposals for a scheme suitable for the provision of temporary accommodation.
- 4.27 The scoring methodology allowed for scores between 0-10 and instruction that if a bidder failed to score 3 in any of their responses the Council would have the ability to reject the bid.

5. PROPOSALS

Lot 1

- 5.1 The creation of the framework will allow for the undertaking of mini-competitions for the development of local authority-owned sites for use as good quality temporary accommodation. This report recommends the appointment of Tando Property Services Limited and Hill Holdings Limited to the framework for Lot 1. The Council has identified Lavender Court for the development of residential accommodation for short-term occupancy. This building is situated in the north of the borough and close to the A40 which is a major link road to central London. It was built in the 1960s and currently provides 23 units (62 beds) of hostel accommodation for the residents of the borough. The building is outdated and does not make best

use of the site. This report seeks approval of feasibility work for the redevelopment of Lavender Court.

Lot 2 Bidder Details and Proposals

Hill Holdings Limited

Experience

- 5.2 Hill Holdings Ltd is a Top 20 UK Housebuilder that has a track record of developing homes for registered providers and local authorities. Hill has a team of experienced professionals providing expertise in land acquisition, design, planning, funding, construction and management.
- 5.3 Hill has established a partnership with Pinnacle PSG for the provision of building and tenancy management services

Proposals

- 5.4 Hill are proposing to source and secure land opportunities and provide bespoke new build or refurbished solutions suitable for the provision of temporary accommodation.

Mears Limited

Experience

- 5.5 Mears Limited provide reactive, planned and major works to over 700,000 social housing units every year. Mears Housing Management works with local authorities and housing associations to deliver services, including the provision of new housing supply, and manages 2,500 homes for over 20 local authorities in England.
- 5.6 Mears have an experienced team headed by a Managing Director with over 25 years' experience in the social housing and temporary accommodation sector.

Proposals

- 5.7 Mears' proposal is to acquire and assemble a portfolio of existing homes in and around west London for immediate occupancy. Mears would acquire individual units, refurbish them to an agreed standard and lease each home to the Borough for occupation. Under this proposal ownership of the property would pass to the Council at the end of the lease.

Tando Property Services Limited

Experience

- 5.8 Tando Property Services is a Joint Venture Company between Omega Lettings and Theori Investments and delivers developments across a range of sectors. Tando manage 4,500 properties for both public and private sector clients for both long term and short tenants.
- 5.9 Tando has an experienced team that specialise in procuring properties for use as Temporary Accommodation. They will also work in partnership with Mears New Homes Limited to provide new build opportunities.

Proposals

- 5.10 Tando Property Services has proposed using two different approaches, these are:
- To source and secure land opportunities and provide bespoke new build or refurbished solutions.
 - To acquire existing units from the private market for immediate occupancy.

Future Sites and Call Offs

Lot 1 Procurement Process

- 5.11 The Council will establish that there is a specific need to provide temporary accommodation and identify land that is suitable for redevelopment. A design brief and tender documents will be put together and a mini-competition will be run between the framework contractors in order to procure the works. The successful bidder will be expected to fund and manage the development and manage the building once complete.
- 5.12 Sites can be transferred to bidders on a freehold or leasehold basis and will be appraised on what arrangement will provide the most advantageous position and best achieve value for money for the Council.

Lot 2 Future Procurement Process

- 5.13 The Council will establish that there is a specific need to provide temporary accommodation and undertake a mini-competition with the framework contractors. Bidders will be advised on the Council's requirements and are

expected to return bids proposing how they can achieve the objectives. Bids will be assessed for quality and value for money and contractual terms will be negotiated and agreed with successful bidders. It is anticipated that this process will result in a more diverse and immediate supply of accommodation. This report seeks approval for the undertaking of a mini-competition under Lot 2 for the securing of 50 units suitable for the provision of temporary accommodation.

Direct Delivery

5.14 The Council can undertake the redevelopment of its own sites directly by undertaking design work and procuring the works via a competition held between framework partners. In delivery terms the following would need to be taken into account:

- Direct Delivery would require the appointment of a team of consultants. This would include an Employers Agent/ Quantity Surveyor, Architect, Structural Engineer, Code for Sustainable Homes assessor, ecologist and rights to light surveyor.
- The Council does however have access to existing consultant frameworks, primarily SCAPE and HCA, and should be able to select consultants at established framework fee levels or via a competitive exercise and analysis of fee proposals.
- The pre-planning work will be the same if the Council undertakes the project directly or chooses to procure under the Lot 1 process. Namely undertaking design work, consultation, site investigation and surveys in order to develop a scheme and submit a planning application. The planning process will follow the same path regardless of how the project is taken forward.
- Upon achieving planning permission the construction works will need to be procured. This could potentially be done via Lot 1 or potentially the Single Contractor Framework should Cabinet approve its establishment. (Report to be presented in July 2015)
- As the value of the works would exceed the OJEU threshold other procurement options would be to investigate if the Council could access an existing contractor framework and hold a mini-competition; or to undertake a full OJEU procurement exercise in order to select a contractor and award the Contract.

5.15 If the Council was to undertake the procurement activities required under Lot 2 the following must be taken into account:

- Should the Council decide to procure existing units at volume from the open market it would need to recruit a team of individuals with experience of acquiring units at scale in order to match Mears proposal. This would have significant cost and time implications.
- Robust processes would need to be put in place with the Council's Legal, Finance and Valuation departments and a contractor would need to be appointed to undertake refurbishment works to bring the units up to an acceptable standard.
- A fast track approval process would need to be in place to ensure that offers can be made and property can be acquired as delays would make it very difficult to secure units.
- Should a team be established to undertake this role it would have to source other new business opportunities such as land and build package deals with developers or the acquisition of land to be developed directly if it is to perform the same function as proposed in Lot 2.
- In order to undertake this work directly the Council will require access to funds in order to purchase units and undertake refurbishment works. (See Finance comments)
- The council would also be responsible for the management and maintenance of the building.

6. EQUALITY IMPLICATIONS

6.1 This report recommends that approval is given to establish a framework for the provision of new temporary accommodation and management services. As part of that exercise, the needs of service users who are likely to be in need of (and to receive) temporary accommodation will need to be considered. This is likely to be service users that are likely to have the following protected characteristics:

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

- Sexual orientation

6.2 The recommendation itself is unlikely to engage the public sector equality duty ('PSED') as per S149 of the Equality Act 2010 but proposals at a later date will need to consider the PSED in line with any decisions that are proposed.

6.3 An initial EIA has been completed and has drawn the conclusion that the long term impacts of the proposal (of which this paper's recommendations are the starting point) will be positive overall.

6.4 The EIA has identified no negative impacts on any protective group and below is a summary of positive impacts that are both generally beneficial and positive in impact on particular protective groups

6.5 Age

- The positive benefit for vulnerable families and individuals in need temporary accommodation.
- That people of all ages will have access to suitable well, designed accommodation.
- Where possible accommodation will be provided in Borough to enable families to retain access to the local services they currently use e.g. schools, doctors surgeries etc.

6.6 Disability

- That all new homes will be required to be built to life time homes and London Housing Design Guide Standards
- That properties will be design to have flexibility to reflect changing needs
- Where possible accommodation will be provided in Borough to enable individuals to retain access to the local services, such as medical facilities, and support networks.

6.7 Race

- 60% of those in temporary accommodation are from BME or mixed backgrounds, improving the quality and supply of accommodation will have a positive impact on the living environment.

6.8 Sex

- 81% of main applicants for temporary accommodation are by women so the provision of suitable and safe accommodation will have a positive impact.

Implications reviewed by: David Bennett. Head of Change Delivery (Acting) Innovation and Change Management Division. 0208 753 1628

7. LEGAL IMPLICATIONS

- 7.1 Legal advice on the procurement process has been provided by the project's legal advisors, Sharpe Pritchard.
- 7.2 The Director of Law for the Shared Legal Services is satisfied that due process has been followed and accordingly endorses the recommendation
- 7.3 Implications completed by: Kar-Yee Chan, Solicitor (Contracts), Shared Legal Services, 020 8753 2772

8. FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1 This report recommends the appointment of a framework for the provision of new temporary accommodation and management services. The framework is divided into two lots: Lot 1 involves the construction and management of accommodation on Council owned land; Lot 2 involves the framework panel sourcing and procuring existing properties from the open market and leasing them to the Council for the provision of short term accommodation. 8.2 For both lots all successful bidders have identified funding partners through which we can achieve the lease position outlined above and provided appropriate letters of support from them with the exception of Hill Holdings who have yet to provide the required letter. Hill Holdings will however be required to provide this documentation before they are allowed to tender for any call-off works under the Framework.
- 8.2 The proposed additional professional fees of £40k can be contained within the previously approved funding of £127.5k as only £80k has been spent to date. Therefore no further approval is required. All of the spend to date and the proposed £40k additional spend do not fulfil the criteria of capital expenditure. As such it is revenue spend that will be funded from the s106 funds identified in the preceding report to this one (21/04/2014).

Lot 1

Accounting for Leases and the Housing Revenue Account (HRA) Capital Financing Requirement (CFR)

- 8.3 It is anticipated that the terms of agreements entered into under Lot 1 will necessitate their treatment as finance leases and therefore the cost of construction and lease liability will need to be reflected in the HRA CFR, which is the measure used by Government to measure the HRA debt cap.

While there is £34m capacity within the HRA business plan there are a number of on-going reviews which are likely to absorb the majority of this capacity

It should be noted that the latest revision of the HRA business plan is currently in progress and the exact position on these CFR pressures should become clear over the summer. Should the Council ever reach a point where it looks likely that the HRA debt cap will be breached either rents would have to be increased and /or significant cuts in services, especially planned investment into existing Council Homes would need to be made.

- 8.4 The capital element of annual lease payments in subsequent years will be shown in the debt repayment section of the CFR funded from revenue contributions. This reflects the nature of the leasing arrangement where the total cost will be covered by the rent charged.

Impact on Medium Term Financial Strategy / savings

- 8.5 The delivery of additional temporary accommodation will reduce the need for the use of unsuitable and expensive Bed and Breakfast hotels and contribute towards MTFS targets and savings. The precise impact will be assessed on a case-by-case basis as mini-competitions under the framework progress.

Risks are expanded on further in section 9 of this report.

Lot 2

- 8.6 Financial implications will need to be considered in detail when tender returns are received for each mini competition and further Cabinet Reports will be required on those occasions.

Indicative Financial Implications

- 8.7 The leases under this framework agreement should be treated as a finance lease and therefore the lease liability which will include the costs of construction/purchase will need to be reflected in the General Fund CFR which would attract a charge to the General Fund Revenue Account of 4% for the Minimum Revenue Provision. Officers are considering how this may be reflected as an element of the cost of rental and further details will be set out in future Cabinet Reports. The implications of this will need to be considered carefully when assessing the financial viability of the current and any future proposed procurement under this lot and carefully compared with the alternative of direct delivery.

- 8.8 In terms of General Fund savings the exact numbers will have to be considered as each procurement under the framework progresses but in general, at today's prices it is anticipated that an additional 50 homes provided under this framework would result in a saving of circa £58k to the General Fund if it is assumed that the procured properties replaced other private sector leasing arrangements. If, however, there is a deterioration in the temporary accommodation position and, say, 25 of the units were seen as an alternative to the use of B&B, the annual saving to the General Fund would be circa £279k.

Alternative delivery methods

- 8.9 In any decision the costs and risks of the preferred option need to be weighed against the costs and risks of alternative options. In the case of this proposal as well as an alternative "do nothing" option, the Council could choose for both Lots to develop / acquire properties itself. It could directly fund the work using a combination of Public Works Loan Board borrowing, internal borrowing, Right to Buy 1-4-1 receipts (up to 30% of costs) and commuted S106 funds. The financial implications of this are set out below.

Lot 1 – Direct delivery by the Council

- 8.10 Direct development on Housing land would result in an increase in the HRA Capital Financing Requirement (CFR) save to the extent that the costs of direct development were funded by Right to Buy 1-4-1 receipts and by section 106 commuted sums. The exact magnitude would depend on the final contracted cost of the development and may be higher as it is possible that a specialist supplier is able to procure such development more efficiently than the Council.
- 8.11 As set out in paragraph 8.4 above any project which would increase the HRA CFR has to be considered in the context of the Council's other development programmes and cash flow risks. Careful management and prioritisation will be required to ensure the debt cap is not breached, which may include some re-phasing of the capital repairs programme for Housing.

Lot 2

- 8.12 Both procurement via the framework and direct purchasing / development would result in an increase in the Capital Financing Requirement (CFR) of approximately £14.1 million for 55 properties (95 bed spaces) although the exact increase will only be determined as each procurement under the

framework is completed and will depend on the type and mix of homes acquired.

- 8.13 As set out above the on-going reviews of major programmes are likely to result in the Council reaching its HRA debt cap. Therefore any direct development / purchasing of this nature would need to be funded by the General Fund. There would be a Minimum Revenue Provision (MRP) payable at 4% of the resultant increase in the CFR in addition to the normal management / maintenance costs. Furthermore, there would also be extra interest costs which would arise if the project could not be funded by internal borrowing, or interest income foregone if internal borrowing was utilised.
- 8.14 The Council would also incur additional costs as a team would need to be put in place to acquire and refurbish the homes. It would be important to build up sufficient operational capability to carry out the acquisition of additional property efficiently and effectively.
- 8.15 Direct purchase and refurbishment by the Council of existing property is likely to be more tax efficient than procurement via the proposed structure. This is primarily because the Council is able to reclaim all its VAT provided it stays within the partial exemption rules. Provided all subsequent supplies made by us are pursuant to our statutory housing function then any associated transactions will be non-business with no partial exemption impact – i.e. VAT could be recovered as normal. However, if some properties were used for alternative purposes – for example if surplus capacity was let out on a market basis, or partially market basis, this would give rise to an exempt activity requiring associated expenditure to be included in the partial exemption calculation. Furthermore, in the event that a property was sold, any capital works undertaken would likely need to be included in the partial exemption calculation. In the event that any exempt activities are undertaken or introduced into the project the Council would need to take great care in ensuring that spend on these areas could be easily decoupled from the non-business element otherwise there is a risk that the entire project could be interpreted as an exempt activity.
- 8.16 Direct acquisition by the Council is also likely to be more tax efficient for Stamp Duty Land Tax than the structure proposed by Mears plexus.

9. RISK MANAGEMENT

9.1 The key risks are as follows:

- a) Legal Challenge to procurement process.** A legal challenge could potentially be made to the contract award. The Council has run a

transparent process through the London Tenders Portal and legal advice was sought at every stage of the procurement process.

- b) Unable to fully occupy the building following completion of the development.** The income to pay the rent will mainly come from the payments collected from individual tenants. If the building is not fully occupied there will be a shortfall in income and a contribution will be required to pay the rent to the Head Lessee. There is however the ability to convert the units to general needs or open market housing.

Implications completed: by Matthew Doman, Development Manager, x4547


10. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 10.1 The Corporate Procurement Team has been advising the project officers in connection with this procurement. The proposals are in compliance with the Public Contracts Regulations and H&F's Contract Standing Orders.
- 10.2 As the proposed framework agreement will be available to both Westminster City Council and the Royal Borough of Kensington & Chelsea the Shared Services Contracts Award Board has been consulted before being recommended for approval by the Cabinets.
- 10.3 Implications verified/completed by: Robert Hillman, Procurement Consultant x1538.

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

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

	<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">Cabinet</p> <p style="text-align: center;">6 JULY 2015</p>
<p>LEASE AGREEMENT – REQUEST FOR DELEGATED AUTHORITY</p>	
<p>Report of the Cabinet Member for Housing : Councillor Lisa Homan</p>	
<p>Open</p> <p>A separate report on the exempt Cabinet agenda provides exempt information in connection with the financial aspects of this lease agreement.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: College Park and Old Oak</p>	
<p>Accountable Executive Director: Mike England, Lead Director, Housing Department</p>	
<p>Report Author: Glendine Shepherd, Interim Head of Housing Options</p>	<p>Contact Details: Tel: 020 8753 5813 E-mail: glendine.shepherd@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

The purpose of this report is to seek Cabinet's approval to enter into a lease agreement with a local housing association for continued use of 24 three bedroom homes for temporary accommodation for the homeless. A lease which was previously in place with a third party is coming to an end due to the sale of the freehold to a local housing association. Agreement of the recommendations of this report will enable 24 households currently resident to remain in their homes for a further three years, ending on 9 April 2018.

2. RECOMMENDATIONS

- 2.1 That the Cabinet Member for Housing in conjunction with the Director of Law and the Lead Director for Housing be authorised to agree expenditure identified in the exempt report on the exempt Cabinet agenda to provide temporary accommodation for the homeless in the borough.

3. REASONS FOR DECISION

- 3.1. To continue the provision of temporary accommodation for the homeless in Hammersmith & Fulham to avoid moving 24 families to alternative temporary accommodation which may not be in the borough.

4. INTRODUCTION AND BACKGROUND

- 4.1. The Council, as part of its approach set out in its housing strategy *Delivering the change we need in housing* is committed to improving its approach to preventing and reducing homelessness. It is a priority because homelessness and lack of access to good quality accommodation has a major impact on many aspects of the quality of life for residents of the borough, including physical and mental health well-being; educational attainment; and the prospect of accessing and sustaining employment.
- 4.2. The Council aims to accommodate all households seeking assistance with housing, within Hammersmith & Fulham. However, this is becoming increasingly challenging with temporary accommodation (TA) subsidies unable to meet current market rents.
- 4.3. Local Housing Allowance (LHA) has impacted negatively on TA provision in the borough. The LHA are the rates used by the Government's Valuation Office to calculate the amount and maximum housing benefit that can be claimed. Hammersmith & Fulham house prices are the third highest of all London boroughs and this is reflected in the rental market (See section 5.3 for more detail).
- 4.4. Landlords are frequently requesting the return of in-borough accommodation currently leased to the Council on rents within LHA rates and subsidy levels as they are able to realise higher rates in the private market.

5. Value for Money Test

- 5.1. This section sets out why officers consider the proposed approach to meet value for money criteria, over and above the non-financial, non-quantifiable benefits of 24 families continuing to be temporarily accommodated in their current locality.
- 5.2. During 2014/15, there were 1,530 homelessness approaches for housing assistance and 444 acceptances. Of that number, 74 required three

bedroom accommodation. Therefore, the evidenced demand for this property type is strong. Officers do not expect this demand to diminish in the immediate future.

- 5.3. Current private rent levels in W12; in Hammersmith & Fulham; and in London are as follows:

W12 (median)	- £500 per week
Hammersmith & Fulham (median)	- £550 per week
London (Median)	- £390 per week

Source: GLA London Rents Map (data accessed in May 2015)

6. CONSULTATION

- 6.1. The Council in conjunction with (or through) a local housing association will write to residents informing them of the lease renewal and any associated changes that will arise from this joint working.

7. EQUALITY IMPLICATIONS

- 7.1 The objective of this report is to allow 24 homeless households to remain in their three bedroom temporary accommodation in Hammersmith & Fulham for a further three years. Historically, homeless applicants for family-sized accommodation are over-represented from equality groups such as women; black, Asian and minority ethnic communities; the disabled. The equality impacts arising from the adoption of this report on households currently in the temporary accommodation are expected to be positive. Officers would expect negative impacts to occur if the families were moved, probably out of the borough altogether. This would lead to family, friends and community networks being disrupted and the need for change of schools and health service providers, further disrupting family members' personal well-being. For these reasons, a full equalities impact assessment is not considered necessary.

8. LEGAL IMPLICATIONS

- 8.1. The Council has the power under section 17 of the Housing Act 1985 to acquire land and buildings for housing purposes. The proposed terms impose a continued obligation to repair, which will lead to cost in addition to the rent. The lease gives the Council the right to serve three months' notice to terminate the lease in respect of the property or individual blocks
- 8.2. Implications verified/completed by: David Walker, Principal Solicitor 020 7361 2211, Shared Legal Services.

9. FINANCIAL AND RESOURCES IMPLICATIONS

9.1 Financial and resources implications are in the exempt report on the exempt Cabinet agenda.

10. RISK MANAGEMENT

10.1 Provision of temporary housing accommodation within the borough is a key risk noted on the Council Shared Services Risk Register, risk number 8 managing statutory duty and meeting the needs and expectations of service users. Failure to enter into a new lease agreement may significantly impact on the management of the risk and to individuals affected in the properties. Significant risks to individuals are to be noted in the Housing Department's risk register that is reviewed on a quarterly basis by the Management team.

10.2 Implications verified by: Michael Sloniowski, Shared Services Risk Manager, telephone 020 8753 2587

11. PROCUREMENT AND IT STRATEGY IMPLICATIONS


11.1 There are no procurement related implications contained in the report.

11.2 Implications verified/completed by: Robert Hillman, Procurement Consultant, x1538.

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

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

	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>6 JULY 2015</p>
<p>THE PROCUREMENT OF QUANTITY SURVEYING SERVICES OFF THE CONSTRUCTION RELATED CONSULTANCY SERVICES FRAMEWORK AGREEMENT 2012 VIA A MINI- COMPETITION</p>	
<p>Report of the Cabinet Member for Housing – Councillor Lisa Homan</p>	
<p>Open Report</p>	
<p>For Decision: Yes Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Directors: Kathleen Corbett & Mike England, Lead Directors for Housing</p>	
<p>Report Author: Henrietta Jacobs Procurement Manager</p>	<p>Contact Details: Tel: 020 8753 3729:Email: henrietta.jacobs@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 On 2nd April 2015 a Cabinet Member Decision by the Cabinet Member for Housing approved the use of a national framework, the Construction Related Consultants Services Framework Agreement 2012 (the CRCS 2012 Framework) , for the procurement of Quantity Surveyor (QS) services to support the delivery of programmes of work for the Term Partnering Repairs & Maintenance contract (TPC R&M) and the Planned and Preventative Maintenance (PPM) contract. A mini competition is currently in progress under this framework for an 18 month contract for services to support the delivery of programmes of work for the Term Partnering Repairs & Maintenance contract (TPC R&M). The tender value is expected to be in excess of £100k.
- 1.2 This report seeks approval to delegate the appointment of the successful supplier to the Cabinet Member for Housing in conjunction with the Lead Directors for Housing. The tenderers are
- Keegans Ltd
 - Mott Macdonald Limited
 - Playle & Partners LLP
 - Stace LLP
 - Sweet (UK) Limited

- 1.3 The Council has already called off from these frameworks for small individual lots where each commission has been below £20,000.

2 RECOMMENDATIONS

- 2.1 That delegated authority be given to the Cabinet Member for Housing in conjunction with the Lead Directors for Housing to appoint the successful tenderer from one of the above listed consultants via a mini-competition to carry out Quantity Surveying (QS) services for the delivery of programme of works within the TPC Repairs and Maintenance contract with Mitie for a contract period of 18 months.
- 2.2 To note that funding for these services is contained within the individual scheme budgets approved as part of the 2014/15 and 2015/16 Housing Capital Programme.

3 REASONS FOR DECISION

- 3.1 The Council's Contract Standing orders state that a framework can be used to procure for goods, services, and or works of any value. A mini competition or direct call-off can be used to procure off a framework in accordance with the provisions of the relevant framework. In this instance, a mini competition is being carried out to drive out further savings.

4 INTRODUCTION AND BACKGROUND

- 4.1 The Council has a major 10+5 years Term Partnering Contract (TPC) with MITIE.
- 4.2 The Council operates as a lean client for this contract and does not currently have the resources in house to carry out specialised cost control/evaluation services. The TPC contracts require the services of cost consultants to verify contractor applications for payment, agree valuations, and produce monthly cost reports to assist the monitoring of capital projects being delivered via the contract. To date this has been carried out by contractors on the SCAPE framework and a number of other small contracts.

This report delegates the engagement of independent Quantity Surveying services via a framework to deliver the cost evaluation element of the programme to ensure works are delivered within the time line of the contract and that they provide value for money.

5 PROPOSAL AND ISSUES

- 5.1 The proposed framework under which the mini competition is in progress, the CRCS 2012 Framework, is a national framework which can be used by all Local Authorities. The Council has signed up to this framework and it is intending to procure Quantity Survey (QS) services to support the delivery of the programmes of work. The options considered are set out below.

6 OPTIONS AND ANALYSIS OF OPTIONS

- 6.1 Officers considered the following options:

Option 1 – Go out to Full Tender/OJEU

6.1.1 This option was considered but it was concluded that it will not be the best option for the council as time is of the essence in the delivery of the current programme of work. There has been a back log of works to be delivered and any further time spent on going out to full tender, will put the delivery of work packages at high risk of not been delivered within the expected time frame.

6.1.2 It is imperative that cost Consultant services and invoice monitoring is carried out to ensure the Council is protected financially and to ensure our projects deliver value for money.

6.2 Option 2 – Recommended Option – Use An Existing/ National Framework To Deliver The Contract.

6.2.1 This is the proposed option, as any relevant framework will have gone through a process of competitive tendering with agreed established rates and will be able to be used quickly. The proposed framework has agreed rates and will give the Council the option of going directly to one supplier, removing the requirement of running a mini competition within the framework. Approval has already been given to use the CRCS Framework 2012 and this report seeks to delegate approval to appoint the successful supplier from the list in section 1.2 above.

6.3 Option3: An in house team

6.3.1 The market for individuals with these skills is currently buoyant and recruitment has historically proved difficult and expensive. Retention of suitably qualified staff has been difficult and they have often moved on quickly for higher salaries. In addition the scale of work required would mean that the Council would only have a small in house team which would lack resilience. Therefore Option 2 has been selected as this provides the best balance in terms of resilience, cost and timeliness.

7 CONSULTATION

7.1 All relevant consultation in relation to any of the work packages will be carried out by MITIE, in line with their project delivery timeline.

8 EQUALITY IMPLICATIONS

8.1 There are no significant equalities issues highlighted,

8.2 Implications verified/completed: by (Henrietta Jacobs, Procurement Manager 02087533729)

9 LEGAL IMPLICATIONS

- 9.1 The Council should be satisfied that it is able to access the Framework Agreement before calling-off. Legal Services will be available to carry out a review of the terms and conditions prior to execution and will work with officers to arrange for the execution of the call-off contract.
- 9.2 Implications verified/ by: Kar-Yee Chan, Solicitor (Contracts) Shared Legal Services, 0208 753 2772

10 FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1 The proposal to use a national framework to procure for consultants is reliant on cabinet member giving approval to the recommendation in this report. It must be noted that all suppliers under the relevant framework have been financially vetted by the lead authority (London Borough of Haringey) in securing the contract for the Framework in accordance with the EU Regulations.
- 10.2 Implications verified/completed by: (Isaac Egberedu, Principal Accountant, 0208 753 2503)
- 10.3 Funding for these services is contained within the individual scheme budgets approved as part of the 2014/15 and 2015/16 Housing Capital Programme.
- 10.4 Implications verified/completed by: (Alan Hollamby, Senior Accountant, 0208 753 1773)

11 RISK MANAGEMENT

- 11.1 Market testing, achieving the best value to the local taxpayer, is a key strategic risk, risk number 4 of the Shared Services risk register. There are no other strategically significant risks associated with the proposal to continue with an already agreed commissioning model.
- 11.2 Implications verified/completed by – Michael Sloniowski, Risk Manager, Tri Borough-02087532587


12 PROCUREMENT & IT STRATEGY

- 12.1 The Corporate Procurement Team supports the initiative proposed in the recommendation to call off from established framework agreements to provide design services and Quantity Surveyor services for housing related services.
- 12.2 Implications verified/completed by Alan Parry, Procurement Consultant (TTS). Telephone 020 8753 2581.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No	Description of Background Papers	Name/Ext of Holder of File/Copy	Department/Location
1.	None		

Agenda Item 14

 hammersmith & fulham	London Borough of Hammersmith & Fulham CABINET 6 JULY 2015
TASKFORCE ON SOCIAL VALUE PROCUREMENT	
Report of the Cabinet Member for Commercial Revenue & Resident Satisfaction : Councillor Ben Coleman	
Open Report	
Classification: For Key Decision: No	
Wards Affected: All	
Accountable Director: Tasnim Shawkat, Director of Law	
Report Author: Craig Bowdery, Scrutiny Manager	Contact Details: Tel: 020 8756 2278 E-mail: craig.bowdery@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The Taskforce on Social Value Procurement was established jointly by the Policy and Accountability Committees on Economic Regeneration, Housing & the Arts and on Finance & Delivery. On 2nd June, the final report and recommendations were approved by the ERHA PAC, which agreed that the report should be submitted to Cabinet for consideration. The final report of the Taskforce is attached as Appendix A.

2. RECOMMENDATIONS

- 2.1 That Cabinet note the recommendations made by the Taskforce on Social Value Procurement and invite the Cabinet Member for Commercial Revenue and Resident Satisfaction to bring forward proposals to Cabinet and full Council for implementation.

3. REASONS FOR DECISION

- 3.1 The Taskforce's recommendations complement the Council's Corporate Strategy and commitment to supporting local business.

4. BACKGROUND

- 4.1 The new council administration elected in May 2014 made the following manifesto commitment: "*While still keeping costs down, council procurement will take a 'community benefit' approach that supports*

local jobs and businesses and develops young people's skills through apprenticeships. At a first step, we will identify and remove barriers that small firms face in trying to win council contracts."

- 4.2 The London Borough of Hammersmith & Fulham (LBHF) will receive 57 per cent less central government funding by 2017 than it did in 2010. This underscores the need for the council to take a fresh look at how it can make every pound it spends go further.
- 4.3 The Taskforce on Social Value Procurement was therefore established jointly by the Policy & Accountability Committees for Economic Regeneration, Housing & the Arts and for Finance & Delivery. The Taskforce agreed to have the following objectives:
- i) To understand the Council's current procurement strategy
 - ii) To understand how the tri-borough arrangement impacts upon procurement activity
 - iii) To understand the economic and legal constraints on procurement, with clarification on what the Council *must* do and what it *can* do
 - iv) To understand how much money the Council spends on procurement activity and with whom
 - v) To consider the experiences of local businesses and third sector organisations when participating in a Council procurement
 - vi) To look at what is undertaken successfully elsewhere
 - vii) To propose ways in which procurement can be used to produce social value and community benefit
 - viii) How the Council can identify and support local businesses, third sector and other public sector organisations to build and improve the local supply chain
 - ix) To keep all procurement matters under review.
- 4.4 The membership of the Taskforce was as follows:
- Cllr Ben Coleman (Chair)
 - Cllr Greg Smith
 - Cllr Guy Vincent
- 4.5 The Taskforce heard from a range of witnesses, including local businesses and third sector organisations which had delivered or wanted to deliver services for the Council, and from representatives from other councils across the country.
- 4.6 "Social value" is the generally recognised shorthand for achieving extra community benefit through procurement. It is best defined by Social Enterprise UK as follows:
- "Social value is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract. Social value asks the question: 'If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?'"*

- 4.7 The Taskforce was particularly interested in how social value procurement could be used to produce greater benefit for small firms in Hammersmith & Fulham, whose survival and growth is a priority for the new administration. Besides the importance of supporting enterprise in and of itself, given that business rates now contribute more revenue than the council tax, helping local firms is essential in these austere times for maintaining local services and keeping council tax low.

5. RECOMMENDATIONS OF THE TASKFORCE

- 5.1 Having reviewed the evidence, the Taskforce makes the following recommendations to Cabinet:

Adopting a social value procurement policy

- i) The Taskforce recommends that a social value procurement policy be approved by Cabinet.
- ii) The council should use its expenditure more strategically by focusing not just on cost but on the wider economic multiplier benefits for the local community that can be realised when commissioning, procuring, assessing and delivering goods, works and services.
- iii) Specifically, procurement should aim to achieve the following in Hammersmith & Fulham:
 - More opportunities for local SMEs, micro-businesses and the third sector to become involved in the council supply chain through how the council commissions, procures and delivers goods, works and services
 - Market stimulation and capacity building for local SMEs, micro-businesses and the third sector to ensure they are better able to participate in the council's supply chain
 - More employment and training opportunities for local residents, especially young people
 - More specific opportunities for disabled and disadvantaged residents
 - Large contractors proposing and delivering clear community benefits.

Considering the local supply chain

- iv) Large procurements should be broken into smaller lots where possible to encourage local SME and third sector participation.
- v) The council should continue to review its own PQQ to make it simpler and less onerous for smaller firms and third sector organisations. The risk assurances sought by the council should

be proportionate and relevant to the value and nature of the contract.

- vi) For smaller contracts above £5,000 and below £25,000, the council should where possible invite three bids. While we recognise that some goods and services are not provided by businesses in LBHF, where possible two of the three bids should be invited from locally-based companies.
- vii) To stimulate the market, potential local suppliers should be proactively identified.
- viii) All contracts with a value of £500,000 or above should require bidders to demonstrate how they will use the local supply chain, as well as provide any other community benefit.
- ix) The council should introduce payment clauses into all contracts to ensure prime contractors pass on no less favourable payment terms to their sub-contractors than they receive from the council. To ensure this happens, tenderers should demonstrate how they will allow the council to monitor how they pay their sub-contractors.
- x) All local development documents and policies (not least Section 106 agreements) should explicitly require developers and their Tier 1 contractors to seek local suppliers and engage with the local supply chain and to abide by the council's Local Procurement Code.
- xi) Robust measures should be put in place to record the actual social value impact of individual procurements, including for lower value contracts that may not be monitored using current e-procurement systems.

Building the local supply chain

- xii) The council should commit resources to working with local SMEs and the third sector both directly and through umbrella organisations in order to involve them in strategic, long-term planning and provide any training required to develop local supplier markets capable of meeting future council needs.
- xiii) The creation of a board of local business and third sector representatives should be explored to facilitate ongoing dialogue between the local supply chain and the council.
- xiv) To ensure that the social value procurement policy is driven from the top, a Cabinet member should have lead responsibility for social value procurement.

- xv) The council should invest resources in building capacity in the local supply chain. This will include training in procurement processes and creating opportunities for local suppliers to sell to prime contractors.
- xvi) Prior to commencing a procurement, officers should conduct extensive market sounding to understand and develop the local market and build the capacity of potential suppliers. They should continually seek to update and extend their lists of local suppliers.

Implementing the policy

- xvii) To make the achievement of social value fundamental to how the council commissions and procures, a cross-departmental, ongoing training programme should be established for officers involved in procurement.
- xviii) Prior to receiving authorisation to begin procurements of £100,000 or more, officers should satisfy a member-level check that sufficient opportunities for delivering social value have been identified. This should be made part of the basic business case.
- xix) The council's Contract Standing orders should be revised to reflect the recommendations of this report.
- xx) In order to ensure the impact and effectiveness of the social value procurement policy over time, a monitoring and measurement methodology should be developed.
- xxi) The Taskforce should have a role in refining and implementing this policy.

6. LEGAL IMPLICATIONS

- 6.1 The Council's procurement policies are determined by Full Council. In order to reflect the recommendations of the Taskforce, the Contract Standing Orders will need to be revised by Full Council.
- 6.2 The 2015 Public Contracts Regulations contain a number of provisions aimed at assisting SMEs, e.g. breaking procurements down into lots, advertising requirements etc both for procurements that are subject to the full procurement regime and those that are not. Procurements should be considered on a case-by-case basis to ensure the relevant legislation is properly applied.
- 6.3 The State aid rules contain a number of measures which allow the State to assist SMEs in ways that would otherwise be unlawful, e.g. aid for start ups, consultancy etc. In view of this council could consider

whether an objective that may be prohibited in procurement law could be achieved using the State aid exemptions.

Implications verified/completed by: Keith Simkins, Head of Division
Contracts and Employment 020 7361 2194

7. FINANCIAL AND RESOURCES IMPLICATIONS

- 7.1 The financial impact of the proposed actions will need to be monitored and taken account of within the Council's future financial plans.

Implications verified/completed by: Andrew Lord, Head of Strategic
Planning and Monitoring, Corporate Finance 020 8753 2531

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 – Final Report of the Taskforce on Social Value Procurement

Taskforce on Social Value Procurement

Report

**A Taskforce commissioned by the
Policy & Accountability Committees for
Economic Regeneration, Housing & the Arts
and for Finance & Delivery**

March 2015

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1. Executive summary

1.1 The new council administration elected in May 2014 made the following manifesto commitment: *“While still keeping costs down, council procurement will take a ‘community benefit’ approach that supports local jobs and businesses and develops young people’s skills through apprenticeships. At a first step, we will identify and remove barriers that small firms face in trying to win council contracts.”*

1.2 Following the election, therefore, the new Policy and Accountability Committees on Economic Regeneration, Housing and the Arts and on Finance and Delivery set up a joint Taskforce on Procurement and Social Value.

1.3 The London Borough of Hammersmith & Fulham (LBHF) will receive 57 per cent less central government funding by 2017 than it did in 2010. This underscores the need for the council to take a fresh look at how it can make every pound it spends go further.

1.4 “Social value” is the generally recognised shorthand for achieving extra community benefit through procurement. It is best defined by Social Enterprise UK as follows:

“Social value is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract. Social value asks the question: ‘If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?’”

1.5 The Taskforce is particularly interested in how social value procurement can be used to produce greater benefit for small firms in Hammersmith & Fulham, whose survival and growth is a priority for the new administration. Besides the importance of supporting enterprise in and of itself, given that business rates now contribute more revenue than the council tax, helping local firms is essential in these austere times for maintaining local services and keeping council tax low.

1.6 Social value procurement is in line with government thinking. The Social Value Act 2012 requires those who commission or procure public services to consider securing added economic, social or environmental benefits for their local area. The Public Contracts Regulations 2015 state that contracting authorities may now use qualitative, environmental and/or social criteria as a measure of cost-effectiveness; and tenders may include economic, innovation-related, environmental, social or employment-related considerations.

- 1.7 A recent review by Lord Young says the Social Value Act is having a positive effect where it is being used. The Minister for Civil Society has said that the Act has the potential to thrive as a tool for the kind of smarter procurement that is becoming increasingly necessary.
- 1.8 LBHF does not currently have a policy on achieving social value through procurement. This Taskforce requests that the Cabinet adopt such a policy, based on the recommendations set out here.
- 1.9 In these difficult economic times, we believe that the priority of such a policy should be on enhancing the local economic value of the council's procurement spend by creating opportunities for local businesses and the third sector and for jobs and training.
- 1.10 Specifically, the council's procurement should aim to achieve the following:
 - More opportunities for local SMEs, micro-businesses and the third sector to become involved in the council supply chain through how the council commissions, procures and delivers goods, works and services
 - Market stimulation and capacity building for local SMEs, micro-businesses and the third sector to ensure they are better able to participate in the council's supply chain
 - More employment and training opportunities for local residents, especially young people and disabled and disadvantaged residents
 - Large contractors proposing and delivering clear community benefits.
- 1.11 Given this specific focus, it may be that another term than "social value", such as "local economic value" or "local growth" procurement, should be considered.
- 1.12 We recommend that the Taskforce play a role in refining this policy and monitoring its effective implementation.

2. Our aims

- 2.1. The Taskforce comprised Cllr Ben Coleman (Chair), Cllr Guy Vincent and Cllr Greg Smith.
- 2.2. As our first meeting, we set ourselves the aim of developing a strategic, "social value" policy for how LBHF spent its money to ensure that, while keeping down costs and working within UK and EU rules, greater value was derived for local residents and more of the economic benefits remained within

the local economy. This might include giving additional support to local small businesses or ensuring successful bidders undertook to provide benefits to the local community such as employment or training.

- 2.3. A related aim was to ensure that shared procurement with other boroughs delivered at least as much benefit for the borough as LBHF-only procurement.
- 2.4. The Taskforce agreed the following detailed objectives:
 - i) To understand the council's current procurement strategy
 - ii) To understand the impact of "tri-borough" procurement on LBHF procurement
 - iii) To understand the economic and legal constraints on procurement, with clarification of what the council must do and what it can do
 - iv) To understand how much money the council spent on procurement activity and with whom
 - v) To consider the experiences of local businesses and third sector organisations when participating in a council procurement
 - vi) To look at what was being undertaken successfully elsewhere
 - vii) To propose ways in which procurement could be used to produce social value and community benefit
 - viii) To identify how the council could identify and support local businesses, third sector and other public sector organisations to build and improve the local supply chain
 - ix) To keep all procurement matters under review.

3. Our approach

- 3.1. The Taskforce's work was member led. We conducted our investigations by inviting a range of witnesses to engage in discussions:
 - Officers from the council's Finance & Corporate Services, Transport & Technical Services, Children's Services and Environment, Leisure & Resident Services departments
 - Representatives from local businesses and third sector support organisations
 - Procurement officers from other local authorities.
- 3.2. We also received and considered a range of written documentation and research. See Appendix **Error! Reference source not found.** for details
- 3.3. The topics discussed at Taskforce meetings were as below.

Meeting One

- Introduction to how the council procures
- An overview of the council's existing approach to social value and responsible procurement
- The council's statutory duties
- Shared services and procurement involving three boroughs

Meeting Two

- The experiences of the local supply chain: a discussion with local businesses and business and third sector support organisations

Meeting Three

- Procurement and social value in other authorities: a discussion with colleagues from Croydon, Kirklees and Lambeth councils

Meeting Four

- Case studies – identifying social value opportunities in two future council contracts: the provision of school meals and the Janet Adegoke swimming pool and gym facilities at Phoenix High School.

- 3.4. While the Taskforce's work was underway, the issue of shared services procurement was covered extensively in the Critical Friends report undertaken by Lord Adonis¹. The Taskforce noted the report's recommendations, especially those relating to good procurement practice and to visibility and sovereignty, and did not undertake a separate investigation.

4. The case for social value procurement

The local economic case

- 4.1. In these austere times, the council needs to find new ways of backing local enterprise and employment in order to safeguard future business rates and council tax revenue (which will enable us to protect services and keep council tax low) and to stimulate spending in the local economy.
- 4.2. The Taskforce noted that in 2013/14 the council spent £306 million contracting with 3,427 different organisations for services, supplies and works. Of this, only £8.6 million or 2.8 per cent was spent contracting with SMEs based in the

¹ *Tri-borough Review: Critical Friends Board Report to the London Borough of Hammersmith & Fulham*, 29 October 2014

borough and just £2.1 million or 0.7 per cent was spent with micro-businesses in the borough.

4.3. The Taskforce heard that the council seeks to achieve best value only in terms of keeping costs down. There is no consideration of the additional community benefits that could arise from keeping more of the council's spend within the borough by taking a social value approach to procurement.

4.4. Social Enterprise UK defines social value as follows:

“Social value is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract. Social value asks the question: ‘If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?’”²

4.5. The importance to the council of boosting local firms cannot be overstated. Business rates now contribute 20 per cent of the council's income once ringfenced grants are excluded. This exceeds the 18 per cent contribution made by council tax. Local companies and their employees also spend more of their income in the local area, benefitting other parts of the local economy through a ripple effect known as the economic multiplier.

4.6. Our research shows that this approach is supported by national and local government and by business organisations. Notably, the Public Services (Social Value) Act 2012 encourages councils to use of procurement for local economic, social and environmental ends:

“The authority must consider (a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and (b) how, in conducting the process of procurement, it might act with a view to securing that improvement.”³

(See also Note below).

² A Brief Guide to the Public Services (Social Value) Act 2012, Social Enterprise UK, February 2012. Social Enterprise UK is a national body representing businesses with a social or environmental mission.

³ Public Services (Social Value) Act 2012, section 1 (3). Also as noted, under the recent Public Contracts Regulations 2015, contracting authorities may include economic, innovation-related, environmental, social or employment-related conditions in tenders and may use qualitative, environmental and/or social considerations in awarding contracts.

- 4.7. The Local Government Association views social value procurement as a way of maximising local economic growth by removing barriers to procurement for small firms and using procurement to increase jobs and training.

“Councils need to maximise the economic, social and environmental benefits to communities from every pound that is spent, and we believe that spend with SMEs and VCSEs can make a very significant contribution to local economic growth. This includes Social Value Act duties. Councils can do more to remove barriers faced by SME’s and VCSEs bidding for council contracts such as by inclusion of economic, environmental and social value criteria in all contracts [and] improving access for SMEs and VCSEs.”

“Social Value can mean many different things, for example the inclusion of targeted recruitment and training opportunities in public contracts that can make a contribution to addressing the issue of poverty and reduced social mobility.... councils need to continue to make better use of their purchasing power to create opportunities; for jobs and training, for regeneration and to maximise value for money.”⁴

- 4.8. The Federation of Small Businesses also favours social value procurement as a way of strategically supporting local growth, jobs and training.

“There is also a need for council procurement strategies to recognise the important role of social value, bringing in wider considerations than cost. Procurement can provide councils with a secondary route to address worklessness, youth unemployment and skills development by giving potential suppliers the opportunity to demonstrate how they could contribute to these issues if awarded a contract.”⁵

“[L]ocal authority procurement in particular must be used strategically to deliver social and economic gains. More specifically, we believe that it must be used to support local growth and local jobs by using local businesses to keep more of local council’s money in local economies. In this way we can all benefit from the economic multiplier effects of this investment.”⁶

⁴ *National Procurement Strategy for Local Government in England 2014*, Local Government Association, July 2014.

⁵ *Local Procurement: Making the Most of Small Business*, Federation of Small Businesses, 2012.

⁶ *Local Procurement: Making the Most of Small Business, One Year On*, Federation of Small Businesses, June 2013.

The legal case

- 4.9. The Taskforce heard that public sector procurement in England was governed by UK⁷ and EU⁸ rules. It noted that there could be considerable misunderstanding about the rules, which were often wrongly interpreted as precluding councils from taking a social value approach towards procurement. As the Joseph Rowntree Foundation says, it all depends how this is done:

“UK and EU procurement frameworks support the inclusion of social/community benefits in public procurement provided this is done in a way that does not disadvantage non-local bidders. This can be accommodated in the drafting of the specification, typically by requiring the successful contractor to work with named local agencies that make the links to the targeted community.”⁹

- 4.10. We also noted that new EU rules to be brought into force by member states by April 2016 will explicitly allow social criteria to be used in public procurements.¹⁰
- 4.11. We have already mentioned the Social Value Act. The Taskforce heard that the Act enables procurement for services – but not goods and works – to be used to achieve social, economic and environmental benefits within EU

⁷ Alongside the Social Value Act referred to above, the Local Government Act 1999 requires local authorities to secure “continuous improvement”, and to obtain and demonstrate “Best Value” having regard to a combination of economy, efficiency and effectiveness.

⁸ The EU Procurement Directive (Directive 2004/18/EC) and the Public Contracts Regulations 2006 (as amended), which translate the EU Directive into UK law, aim to ensure a level playing field within and across EU countries. Specifically, buyers must: not distort the competitive process; not discriminate against any organisation bidding, irrespective of their location or country of origin; be transparent, with clear and robust audit trails; be fair, giving all tenderers equal treatment and the same opportunities; and be objective in their shortlisting and contract award criteria. The EU revised the directive in 2014 and this has been codified in the UK in the new Public Contracts Regulations 2015.

⁹ *Tackling Poverty Through Public Procurement*, Joseph Rowntree Foundation, April 2014

¹⁰ Purchasers will be permitted to consider the process by which the goods, services and specific work they intend to purchase are produced. They will also be able to award a contract to a company that intends to employ the greatest number of disadvantaged people, such as the long-term unemployed; and they will be able consider employees’ specific working conditions, which may extend beyond legal requirements. From April 2016, there will also be a new, simplified EU regime for social, health, cultural and assimilated services, with a higher threshold of €750,000.

rules¹¹. The Taskforce noted that Lord Young was reviewing the Act¹² (see also Note below).

- 4.12. We felt that the council should not wait for the Social Value Act to be extended but should seek to achieve social value now when procuring goods and works as well as services.
- 4.13. The Taskforce heard that councils across the country differed in how actively they sought to achieve social value through procurement and that the devolved governments in Scotland¹³ and Wales had well-developed policies in this area.
- 4.14. Given the new LBHF administration's manifesto commitment to taking a "*community benefit*" approach to procurement, we were interested to note that in Wales, the government uses the term "*community benefits*" instead of "*social value*" in seeking to obtain maximum value from public sector spend for the citizens of Wales.
- 4.15. The Welsh community benefits programme aims to:
- Recruit and train economically inactive people;
 - Promote equality in the workplace;
 - Open up opportunities for small organisations in Wales, such as SMEs, third sector organisations and supported factories and businesses;
 - Ensure that disadvantaged groups are represented in the supply chain through working with these smaller organisations;
 - Make a positive impact on the environment; and

¹¹ The Public Services (Social Value) Act 2012 places specific duties upon public authorities when procuring services above the OJEU threshold to: have regard to the economic, social and environmental well-being of their area; consider how what is to be procured might improve the economic, social and environmental well-being of the relevant area; and consider how, in the procurement process, the authority might act with a view to securing that improvement.

¹² "SMEs" are small and medium-sized enterprises, and "VCSEs" are voluntary, community and social enterprises. The European Commission defines SMEs and micro-businesses as follows:

- Medium-sized business: fewer than 250 employees and a turnover of up to €50m or a balance sheet total of up to €43m
- Small business: fewer than 50 employees and a turnover or balance sheet total of up to €10m
- Micro-business: fewer than ten employees and a turnover or balance sheet total of up to €2m.

¹³ The Procurement Reform (Scotland) Act 2014 requires a contracting authority to consider before starting a procurement competition how, by the way in which it conducts the procurement process, it might: improve the economic, social and environmental well-being of the authority's area; facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses; and promote innovation.

- Contribute to the local community in terms of education, regeneration and community engagement.

Note

Since the Taskforce concluded its evidence-taking, the Public Contracts Regulations 2015 have come into force and Lord Young has published his review of the Social Value Act.

Under the Public Contracts Regulations 2015, contracting authorities are now required to base the award of public contracts on the most economically advantageous tender using a cost-effectiveness approach, which may include the best price-quality ratio assessed on the basis of criteria such as qualitative, environmental and/or social aspects. Contracting authorities may also lay down special conditions, including economic, innovation-related, environmental, social or employment-related considerations.¹⁴

As regards the Social Value Act, Lord Young does not propose extending or strengthening this. The threshold for statutory consideration of social value will remain at £172,000. However, Lord Young says that more support needs to be provided to commissioners and procurers to help them use the Act better and to measure social value. He also notes that the Act is having a positive effect where it is being used.¹⁵

He adds, "Importantly, it should be emphasised that commissioners are already permitted to consider social value as widely as they wish and it is considered good practice to consider social value, where relevant, across goods and works and below the OJEU threshold."

In a thank you letter to Lord Young, Bob Wilson MP, Minister for Civil Society, wrote: "Public services are changing and commissioners are facing some very real cost pressures. What is clear is that the Act has real potential to thrive in this environment, being used as a tool for the kind of smarter procurement that is becoming increasingly necessary for commissioners to navigate the challenges they are facing."

*Appendix **Error! Reference source not found.** of this report summarises where the Taskforce's recommendations dovetail with the Public Contracts Regulations and the Social Value Act review.*

¹⁴ Public Contracts Regulations 2015, clauses 67 and 70.

¹⁵ *Social Value Act Review*, Cabinet Office, February 2015.

5. Our findings and recommendations

Adopting a social value procurement policy

- 5.1. *The Taskforce recommends that a social value procurement policy be approved by Cabinet.*
- 5.2. *The council should use its expenditure more strategically by focusing not just on cost but on the wider economic multiplier benefits for the local community that can be realised when commissioning, procuring, assessing and delivering goods, works and services.*
- 5.3. *Specifically, procurement should aim to achieve the following in Hammersmith & Fulham:*
 - *More opportunities for local SMEs, micro-businesses and the third sector to become involved in the council supply chain through how the council commissions, procures and delivers goods, works and services*
 - *Market stimulation and capacity building for local SMEs, micro-businesses and the third sector to ensure they are better able to participate in the council's supply chain*
 - *More employment and training opportunities for local residents, especially young people*
 - *More specific opportunities for disabled and disadvantaged residents*
 - *Large contractors proposing and delivering clear community benefits.*
- 5.4. While the term “social value” can cover a wide range of community benefits, we suggest that, in these straitened times, the focus in Hammersmith & Fulham should principally be on the economic benefits, i.e. the benefits for local firms, jobs and training. Given this limitation, it may be that another term than “social value”, such as “local economic value” or “local growth” procurement, should be considered.

Considering the local supply chain

- 5.5. When the Taskforce met with a number of local suppliers and businesses, it was apparent that the council's existing approach of consolidating multiple smaller contracts into large and sometimes sub-regional, longer-term contracts was precluding smaller, local firms from competing. Taskforce members are of the view that consolidating contracts has led to missed opportunities to support local businesses.
- 5.6. For example, Frost Meadowcroft, a local firm of property managers with a good understanding and knowledge of the local area and market, described for the Taskforce how it used to work with the council regularly to value buildings and conduct rent reviews. However, in 2013 the council decided to bundle all property services into a single contract. Having reviewed the extensive pre-qualification requirements, Frost Meadowcroft felt that putting together a tender would take over a week, and it could not afford to do this, particularly given the slim chance it felt it had of winning. The work is now being delivered by a large company based outside the borough.
- 5.7. Witnesses also highlighted that the departments of large contractors which serviced council contracts were actually often smaller than local firms, and as a result queries might be responded to more slowly and face-to-face meetings could be harder to hold.
- 5.8. As an example of the benefit of breaking up larger contracts, Kirklees council told us that it had traditionally let its window cleaning contract as a large, single contract. However, it had actively worked with local firms to understand what they could offer and had broken the contract down into a series of smaller lots. The service is now provided by a number of local companies at no extra cost to the council but at greater benefit to the local economy.
- 5.9. We heard that the new Public Contracts Regulations 2015 would require large contracts to be broken down into smaller lots by removing some PQQ16 requirements for contracts with an estimated value below the statutory thresholds¹⁷.

¹⁶ The Pre-Qualification Questionnaire (PQQ) requires bidders to demonstrate a range of requirements before they are asked to submit detailed tenders: for example, that they are financially stable, have relevant policies such as health and safety and are organisationally robust.

¹⁷ The thresholds are £172,514 for all supplies and most services, £625,000 (expected value) for "other services" such as health, social services and education, and £4,322,012 for works contracts. For contract values above the statutory thresholds, the government is proposing a statutory standard "core" PQQ for all public bodies.

- 5.10. ***Large procurements should be broken into smaller lots where possible to encourage local SME and third sector participation.***
- 5.11. ***The council should continue to review its own PQQ to make it simpler and less onerous for smaller firms and third sector organisations. The risk assurances sought by the council should be proportionate and relevant to the value and nature of the contract.***
- 5.12. Requirements such as turnover, relevant policy documents and workforce size need to be directly relevant and proportionate to the value and nature of the contract in order to remove barriers to participation by SMEs and the third sector. We heard that council is a good payer and so requiring a firm to have a large turnover may be less important.
- 5.13. ***For smaller contracts above £5,000 and below £25,000, the council should where possible invite three bids. While we recognise that some goods and services are not provided by businesses in LBHF, where possible two of the three bids should be invited from locally-based companies.***
- 5.14. ***To stimulate the market, potential local suppliers should be proactively identified.***
- 5.15. Economic Development, Learning & Skills officers could assist service departments in identifying local businesses who could be invited to bid. This could include creating and updating easily accessible local business directories.
- 5.16. While we believe every effort should be made to include local SMEs and third sector organisations in the council's supply chain (both as prime contractors and sub-contractors), we acknowledge that there will be times when there are no providers within the borough capable of meeting the council's needs. This may be because a service is quite niche or specialist, or because the value of a contract is so great the council needs a higher level of risk assurance from a provider. However, social value can still be delivered through such contracts.
- 5.17. ***The Taskforce recommends that all contracts with a value of £500,000 or above should require bidders to demonstrate how they will use the local supply chain, as well as provide any other community benefit.***
- 5.18. This might, for example, mean sub-contracting to local firms or providing mentoring to local SMEs. This requirement should be included as part of the contract award criteria and be given appropriate relative weighting in the criteria alongside any other proposals by the contractor to deliver wider

community benefits over the course of the contract. The Taskforce could review the value threshold over time to see how it is working.

- 5.19. *The council should also introduce payment clauses into all contracts to ensure prime contractors pass on no less favourable payment terms to their sub-contractors than they receive from the council. To ensure this happens, tenderers should demonstrate how they will allow the council to monitor how they pay their sub-contractors.***
- 5.20. *Similarly, all local development documents and policies (not least Section 106 agreements) should explicitly require developers and their Tier 1 contractors to seek local suppliers and engage with the local supply chain and to abide by the council's Local Procurement Code.***
- 5.21. This code is set out at Appendix **Error! Reference source not found.** It is currently in draft form and should be finalised in line with the council's social value policy.
- 5.22. Finally, if a company was ostensibly based in the borough but actually employed people elsewhere it would not be providing the social benefit that the council should be pursuing.
- 5.23. *Robust measures should be put in place to record the actual social value impact of individual procurements, including for lower value contracts that may not be monitored using current e-procurement systems.***

Building the local supply chain

- 5.24. Throughout the Taskforce's investigation, members benefitted from the views and experience of the Chief Executive of the Desta Consortium. Desta is a social enterprise owned and run by its members that was set up to help the local voluntary sector compete for public sector contracts. The organisation currently delivers services for the Central London Clinical Commissioning Group (CCG). It is evidence that with the correct support and coordination, smaller local providers can successfully win and deliver important contracts.
- 5.25. The Taskforce noted how Croydon council invested time and resources into developing a relationship with the local supply chain. Croydon met with voluntary sector organisations to discuss its aims for procurement and sought to change the discourse around how procurement worked to make it more cooperative between the council and the voluntary sector.

- 5.26. Continuous dialogue with the sector was ensured by establishing a standing group of third sector representatives to monitor the procurement process. All of Croydon's existing and planned procurement policies and documentation were shared with the group and any unconscious barriers were identified and removed. For example, Croydon's officers worked with the group to simplify the PQQ, with officers being challenged to justify why criteria were necessary rather than using the whole PQQ as standard.
- 5.27. In all the instances of social value being achieved through procurement that the Taskforce encountered, the common theme was one of engagement and collaboration with the local business and the voluntary and community sectors.
- 5.28. *The Taskforce recommends that the council commit resources to working with local SMEs and the third sector both directly and through umbrella organisations in order to involve them in strategic, long-term planning to develop local supplier markets capable of meeting future council needs.***
- 5.29. *The creation of a board of local business and third sector representatives should be explored to facilitate ongoing dialogue between the local supply chain and the council.***
- 5.30. *To ensure that the social value procurement policy is driven from the top, a Cabinet member should have lead responsibility for social value procurement.***
- 5.31. All procurement policies, guidance and ways of working should be discussed with the board and the lead Cabinet member before being implemented to ensure all potential obstacles to sourcing services locally are identified and addressed.
- 5.32. *The council should also invest resources in building capacity in the local supply chain. This will include training in procurement processes and creating opportunities for local suppliers to sell to prime contractors.***
- 5.33. For example, we recommend that the learning from the Supply Cross River 2 (SXR2) programme be explored and that a similar programme be considered following the conclusion of SXR2 in April 2015.¹⁸

¹⁸ Supply Cross River 2 (SXR2) seeks to ensure that local businesses across all sectors can exploit, and benefit from, business opportunities in central London, in particular those arising from large regeneration developments. It is open to SMEs and procurement professionals in the City of London

- 5.34. The Taskforce identified two contracts that the council was due to re-procure and assessed them as case studies to explore opportunities for maximising social value. In both instances it was apparent that officers were unsure of what social value was and that the council did not currently know enough about the local market. The case studies reaffirmed the Taskforce's view that a corporate training programme was necessary and that more work was needed to understand the local supply market and identify and/or develop potential local suppliers.
- 5.35. With regard to the proposed contract for the provision of school meals, officers described social value as being reflected in family-friendly employment terms, staff development, healthy eating and culturally sensitive diets. Members felt these were welcome examples of best practice but not social value requirements in that they did not achieve wider local economic benefits.
- 5.36. For example, the Taskforce suggested that a requirement for produce to be sourced locally (such as meat from local butchers) could be built into the school meals contract, assuming safety standards were met and consistency of supply assured. The council would then sound out the local market to identify suppliers and help them meet the required standards. This would deliver wider benefit from the contract to the local community.
- 5.37. *Prior to commencing a procurement, officers should conduct extensive market sounding to understand and develop the local market and build the capacity of potential suppliers. They should continually seek to update and extend their lists of local suppliers.***
- 5.38. Sounding out the market and signposting larger firms towards potential sub-contractors are an essential part of helping local firms to compete. It will be important that officers from Economic Development, Learning & Skills maintain, extend and continually update their local business directory of the local supply chain for use by commissioners and procurers. As this alone is unlikely to identify all potential suppliers, those conducting procurements may need to undertake further local research.

Implementing the policy

- 5.39. The Taskforce noted that the council's existing procurement infrastructure – at corporate and departmental level – currently had no mechanisms to capture, measure or enhance any wider, non-financial benefits outside the scope of the

and the London boroughs of Hammersmith & Fulham, Camden, Islington, Kensington & Chelsea, Lambeth, Southwark, Wandsworth and Westminster.

immediate contract. Examples of contracts that contained social value elements were largely the exception rather than the rule.

- 5.40. The Taskforce also felt that, where contracts contained social value elements – often under the heading of corporate social responsibility – management of such contracts needed to be more robust to ensure the commitments were actually implemented.
- 5.41. The Taskforce met with procurement officers from Croydon, Kirklees and Lambeth councils to hear about their experiences of seeking to achieve social value through procurement.
- 5.42. Each council has issued clear social value procurement policy statements and guidance developed by officers and councillors working together, and has taken steps to ensure this commitment is met by frontline officers.¹⁹
- 5.43. We heard that Lambeth had taken a range of measures to open up more opportunities for local firms to compete. Monthly training sessions have helped staff understand the council's aspirations and expectations. SMEs have received one-to-one mentoring to help them take advantage of the opportunities.
- 5.44. *To make the achievement of social value fundamental to how the council commissions and procures, a cross-departmental, ongoing training programme should be established for officers involved in procurement.***
- 5.45. Lambeth requires Cabinet Member approval before it tenders for contracts over £100,000 to ensure that all opportunities for wider community benefit are sought as part of the contract specification.
- 5.46. Many contracts are framed so as to encourage local firms to compete and deliver services. For example, Lambeth's £75 million Total Facilities Management contract included a requirement for the contractor to use local resources and develop the local supply chain, and Balfour Beatty is now delivering training and mentoring for local SMEs and its sub-contractors. The Taskforce felt that a similar approach should be taken in LBHF.

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- Kirklees' social value policy background note and Cabinet report are at Appendix **Error! Reference source not found.** and its social value guidance is at bit.ly/svpKirklees.
- Lambeth's draft procurement social value checklist is at Appendix **Error! Reference source not found.** and its "responsible procurement" guide is at bit.ly/svpLambeth.
- Croydon's social value toolkit is at bit.ly/svpCroydon.

- 5.47. Prior to receiving authorisation to begin procurements of £100,000 or more, officers should satisfy a member-level check that sufficient opportunities for delivering social value have been identified. This should be made part of the basic business case.**
- 5.48. Every council is required to adopt Contract Standing Orders (CSOs) or something similar as part of its constitution. All procurement activity that is outside the remit of UK legislation is guided by the CSOs, which require that successful tenders should represent best value for the council and deliver desired service outcomes. The CSOs are part of the common law and once they are adopted it is a legal requirement for officers and Members to comply. This ensures all departments procure by the same rules. All councils have a duty regularly to review and, where appropriate, amend their CSOs.
- 5.49. The Taskforce recommends that the council's CSOs be revised to reflect the recommendations of this report.**
- 5.50. To accompany the revised CSOs, detailed training and guidance should be developed to ensure that all officers engaged in commissioning and procurement understand the importance of achieving social value outcomes and to help change the wider culture of the organisation.
- 5.51. The revised CSOs will also need to address share procurements with other boroughs.
- 5.52. In order to ensure the impact and effectiveness of the social value procurement policy over time, the Taskforce recommends that a monitoring and measurement methodology be developed.**
- 5.53. This will require efficient and consistent co-ordination between the council's policy functions (e.g. Procurement and Economic Development, Learning & Skills) and individual departments.
- 5.54. Finally, we recommend that the Taskforce have a role in refining and implementing this policy.**

6. Conclusion

- 6.1. Adopting the social value procurement policy set out in this report will ensure that local firms and residents derive greater benefits than now from the council's purchasing. While still keeping costs down, council procurement with thus achieve wider benefits for the local economy and our community as a whole.

- 6.2. To be effective, the adoption of a social value policy must be accompanied by the development of a council infrastructure that supports social value commissioning and procurement practices. Officer training will be needed to communicate the new focus, drive more active engagement with local suppliers (to identify and build a local market) and ensure more robust management of social value outcomes in contracts. Appropriate measurement will also need to be developed and undertaken to ensure that social value procurement is delivering the intended benefits.
- 6.3. At the core of this work is the need for greater collaboration between the council and the various players in our community, including local firms, third sector organisations, their representatives and other representative groups. Great coordination between council departments may also be required.
- 6.4. It is essential that implementation of social value procurement has Cabinet member commitment and oversight.

7. Full list of recommendations

Adopting a social value procurement policy

- 7.1. The Taskforce recommends that a social value procurement policy be approved by Cabinet.
- 7.2. The council should use its expenditure more strategically by focusing not just on cost but on the wider economic multiplier benefits for the local community that can be realised when commissioning, procuring, assessing and delivering goods, works and services.
- 7.3. Specifically, procurement should aim to achieve the following in Hammersmith & Fulham:
 - More opportunities for local SMEs, micro-businesses and the third sector to become involved in the council supply chain through how the council commissions, procures and delivers goods, works and services
 - Market stimulation and capacity building for local SMEs, micro-businesses and the third sector to ensure they are better able to participate in the council's supply chain
 - More employment and training opportunities for local residents, especially young people
 - More specific opportunities for disabled and disadvantaged residents
 - Large contractors proposing and delivering clear community benefits.

Considering the local supply chain

- 7.4. Large procurements should be broken into smaller lots where possible to encourage local SME and third sector participation.
- 7.5. The council should continue to review its own PQQ to make it simpler and less onerous for smaller firms and third sector organisations. The risk assurances sought by the council should be proportionate and relevant to the value and nature of the contract.
- 7.6. For smaller contracts above £5,000 and below £25,000, the council should where possible invite three bids. While we recognise that some goods and services are not provided by businesses in LBHF, where possible two of the three bids should be invited from locally-based companies.
- 7.7. To stimulate the market, potential local suppliers should be proactively identified.
- 7.8. All contracts with a value of £500,000 or above should require bidders to demonstrate how they will use the local supply chain, as well as provide any other community benefit.
- 7.9. The council should introduce payment clauses into all contracts to ensure prime contractors pass on no less favourable payment terms to their sub-contractors than they receive from the council. To ensure this happens, tenderers should demonstrate how they will allow the council to monitor how they pay their sub-contractors.
- 7.10. All local development documents and policies (not least Section 106 agreements) should explicitly require developers and their Tier 1 contractors to seek local suppliers and engage with the local supply chain and to abide by the council's Local Procurement Code.
- 7.11. Robust measures should be put in place to record the actual social value impact of individual procurements, including for lower value contracts that may not be monitored using current e-procurement systems.

Building the local supply chain

- 7.12. The council should commit resources to working with local SMEs and the third sector both directly and through umbrella organisations in order to involve them in strategic, long-term planning and provide any training required to develop local supplier markets capable of meeting future council needs.

- 7.13. The creation of a board of local business and third sector representatives should be explored to facilitate ongoing dialogue between the local supply chain and the council.
- 7.14. To ensure that the social value procurement policy is driven from the top, a Cabinet member should have lead responsibility for social value procurement.
- 7.15. The council should invest resources in building capacity in the local supply chain. This will include training in procurement processes and creating opportunities for local suppliers to sell to prime contractors.
- 7.16. Prior to commencing a procurement, officers should conduct extensive market sounding to understand and develop the local market and build the capacity of potential suppliers. They should continually seek to update and extend their lists of local suppliers.

Implementing the policy

- 7.17. To make the achievement of social value fundamental to how the council commissions and procures, a cross-departmental, ongoing training programme should be established for officers involved in procurement.
- 7.18. Prior to receiving authorisation to begin procurements of £100,000 or more, officers should satisfy a member-level check that sufficient opportunities for delivering social value have been identified. This should be made part of the basic business case.
- 7.19. The council's Contract Standing orders should be revised to reflect the recommendations of this report.
- 7.20. In order to ensure the impact and effectiveness of the social value procurement policy over time, a monitoring and measurement methodology should be developed.
- 7.21. The Taskforce should have a role in refining and implementing this policy.

APPENDICES

A. Acknowledgments

The Taskforce would like to thank the following individuals for assisting it in its investigations:

- Patricia Bench – HammersmithLondon BID
- Justin Clack – Frost Meadowcroft
- Ross Coathup – Chartered Practice Architects
- Jonathan Davis – Willmotts
- Stephen Francis – White City Enterprise
- Matt Hedges – Chartered Practice Architects
- John Heneghan – Kirklees Council
- Sarah Ireland – Croydon Council
- Paul Kelly – Federation of Small Businesses
- Shani Lee – Desta Consortium
- David McAlpine – MTW Consultants
- Stephen Regalado – Lambeth Council
- Siobhan Sollis – Kensington & Chelsea Social Council
- Genine Whitehorne – Croydon Council
- Varol Zafer – Willmots
- Numerous officers from departments across LBHF

The remaining appendices are listed below and are available on the Council's website at www.tinyurl.com/juneerha, or a hard copy can be provided upon request.

- Appendix B: Documentation reviewed
- Appendix C: Draft LBHF Local Procurement Code
- Appendix D: National Policy Developments
- Appendix E: Kirklees Council's social value policy background note and Cabinet report
- Appendix F: Lambeth Council's draft procurement social value checklist

NOTICE OF CONSIDERATION OF A KEY DECISION

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

NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE

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

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

KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 6 JULY 2015 AND AT FUTURE CABINET MEETINGS UNTIL SEPTEMBER 2015

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

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

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

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

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

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

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

Access to Cabinet reports and other relevant documents

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

Decisions

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

Making your Views Heard

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

LONDON BOROUGH OF HAMMERSMITH & FULHAM: CABINET 2015/16

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

Key Decisions List No. 34 (published 5 June 2015)

KEY DECISIONS LIST - CABINET ON 6 JULY 2015

The list also includes decisions proposed to be made by future Cabinet meetings

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

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

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet <i>(other relevant documents may be submitted)</i>
6 July				
Cabinet	6 Jul 2015	<p>London Borough of Hammersmith & Fulham Cycling Strategy</p> <p>The Cycling Strategy sets out how the London Borough of Hammersmith & Fulham will improve the quality and extent of provision for cyclists, encourage more people to use bicycles, increase the number of journeys made by cycle, and improve public health outcomes.</p> <p>In order to achieve this, the Cycling Strategy develops an Action Plan that can be used to direct funding in a way that responds to the cycling needs of Hammersmith and Fulham residents / businesses.</p> <p>The Cycling Strategy is not a statutory document. However it has been identified as playing a crucial role in reducing congestion on our roads, relieving pressure on the public transport system, and improving the health of residents and visitors.</p>	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	
Cabinet	6 Jul 2015	<p>Request from Serco for novation of waste contract</p> <p>To enter into a novation and variation agreement for the Waste Collection and Street Cleansing</p>	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
	Reason: Expenditure more than		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>)
	£100,000	<p>Contract to Serco Environmental Services Limited, subject to the Council being no worse off</p> <p>PRIVATE This report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Contact officer: Lyn Carpenter Tel: 0208 753 5710 lyn.carpenter@lbhf.gov.uk</p>	<p>will include details of any supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>6 Jul 2015</p> <p>Reason: Expenditure more than £100,000</p>	<p>Approval to establish a framework for the provision of new temporary accommodation and enter into a Development Agreement to develop Lavender Court</p> <p>The report is aimed at improving services for homeless people. It seeks to establish a framework for the provision of new, good quality temporary accommodation and to award a contract for the redevelopment of Lavender Court.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Housing</p> <p>Ward(s): All Wards</p> <p>Contact officer: Matin Miah Tel: 0208753 3480 matin.miah@lbhf.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>

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	6 Jul 2015 Reason: Income more than £100,000	Land adjoining 95 Goldhawk Road Disposal of surplus land PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Housing Ward(s): Hammersmith Broadway Contact officer: James Adam Tel: 020 8753 2833 James.Adam@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	6 Jul 2015 Reason: Expenditure more than £100,000	Carers Hub Hammersmith & Fulham Report to extend the Carers Hub Service with Carers Network PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Selina Douglas Tel: 0208 753 6235 Selina.Douglas@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	6 Jul 2015 Reason: Expenditure more than £100,000	Fulham Palace Boiler System Replacement PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it	Cabinet Member for Environment, Transport & Residents Services Ward(s): Palace Riverside Contact officer: Mike Cosgrave	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

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>)
		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.	Tel: 020 8753 4849 mike.cosgrave@lbhf.gov.uk	and / or background papers to be considered.
Cabinet	6 Jul 2015 Reason: Expenditure more than £100,000	Sexual and Reproductive Health Re-commissioning Approval to proceed to re-commissioning report to procure community sexual health services across H&F, RBKC and WCC.	Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Gaynor Driscoll Gaynor.Driscoll@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	6 Jul 2015 Reason: Expenditure more than £100,000	Cardiovascular Disease Prevention Service Procurement Approval to proceed requested for the procurement of the Cardiovascular Disease Prevention Service PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Christine Mead Tel: 020 7641 4662 cmead@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.

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	6 Jul 2015 Reason: Expenditure more than £100,000	Lease Agreement - Request for Delegated Authority To seek authority from Cabinet to enter into a three year lease agreement with Octavia (a local housing association) to continue to provide temporary accommodation for the homeless at Du Cane Road. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Housing Ward(s): College Park and Old Oak Contact officer: Mike England, Aaron Cahill Tel: 020 8753 5344, Tel: 020 8753 1649 mike.england@lbhf.gov.uk, Aaron.Cahill@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	6 Jul 2015 Reason: Income more than £100,000	Fire Alarms and Emergency lighting & testing To give delegated authority to Award	Cabinet Member for Housing Ward(s): All Wards Contact officer: Henrietta Jacobs Tel: 020 8753 3729 Henrietta.Jacobs@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	6 Jul 2015 Reason: Expenditure more than £100,000	Procurement of Quantity Surveying Services Off CRCS Framework This is to Procure Quantity Surveying Services off the CRCS 2012 Framework Agreement Via Mini-Competition	Cabinet Member for Housing Ward(s): All Wards Contact officer: Henrietta Jacobs Tel: 020 8753 3729 Henrietta.Jacobs@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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				considered.
Cabinet	6 Jul 2015 Reason: Expenditure more than £100,000	<p>ICT transition phase 2 - transfer of the ICT service desk, data centre services and desktop computing from HFBP to new service providers</p> <p>H&F Bridge Partnership (HFBP) currently provides all ICT services to H&F. The HFBP service contract expires on 31 October 2016, at which time all HFBP services must have moved to other suppliers or across to the Shared Services ICT function. The first phase of this transition to do programme definition and process analysis work is underway. Meantime the second phase needs to start. This proposes the call-off from three London-wide Framework contracts (distributed computing, servicedesk and data centres) let in 2012 by the Shared Service ICT.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Finance</p> <p>Ward(s): All Wards</p> <p>Contact officer: Jackie Hudson Tel: 020 8753 2946 Jackie.Hudson@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Jul 2015 Reason: Expenditure more than £100,000	<p>Request to investigate the funding and procurement of outdoor gym and play equipment at Wormwood Scrubs</p> <p>Requests permission to</p>	<p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): College Park and Old Oak</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

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)
		commence the project and investigate options to fund and procure gym and play equipment, in three phases. Each phase could be funded by the council or could be part funded using external sources.	Contact officer: Heather Marsh Tel: 020 8753 6883 HEATHER.MARSH@lbhf.gov.uk	of any supporting documentation and / or background papers to be considered.
Cabinet	6 Jul 2015 Reason: Expenditure more than £100,000	Adult Social Care Shared Services Strategic Business Case A business case for funding for the Adult Social Care (ASC) Shared Services change portfolios across the three councils, to deliver the ASC vision over the next three years.	Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Rachel Wigley Tel: 0208 753 3121 Rachel.Wigley@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	6 Jul 2015 Reason: Expenditure more than £100,000	Hammersmith Town Hall - Remodelling and Refurbishment The Council is required, under the terms of a Development Agreement and Agreement for Lease dated 19 March 2008 with King Street Developments (Hammersmith) Ltd, to vacate the Town Hall Extension building at the time its new offices in Nigel Playfair Avenue have been completed and are available for occupation. Whilst some staff will relocate to the new offices, the balance will need to be accommodated in the Town Hall. The Council's lease on 145 King Street has a break provision in 2017 and the implications of relocating those staff and services are explored. The Cabinet report addresses the works necessary, procurement issues involved and accommodation strategy implications of accommodating staff in the Town Hall.	Cabinet Member for Finance Ward(s): Hammersmith Broadway 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.

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	6 Jul 2015 Reason: Income more than £100,000	<p>Public Health 0-5 years Services, Direct Award Report</p> <p>The commissioning responsibility and budget for Public Health Services 0-5 years transfers to Local Authorities on October 1st 2015. This report seeks approval to continue the same provision and to directly award a service contract to the existing provider on Local Authority terms and conditions.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Health and Adult Social Care</p> <p>Ward(s): All Wards</p> <p>Contact officer: Julia Mason Tel: 020 7641 4653 jmason@westminster.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	6 Jul 2015 Reason: Expenditure more than £100,000	<p>Phoenix Fitness Centre And Janet Adegoke Swimming Pool Contract Extension</p> <p>The Janet Adegoke swimming pool and the linked gym facility at Phoenix High School is a dual use facility. During schools hours Phoenix and other schools have priority use and outside these hours both facilities are open to the public. The public use of the site is part of the Leisure Services Contract with Greenwich Leisure Limited (GLL). Eighteen months ago this contract was extended until the end of July 2015.</p> <p>The other leisure facilities managed by GLL on behalf of H&Fare Hammersmith Squash and Fitness Centre and Lillie Road Centre. The contract for these</p>	<p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): Wormholt and White City</p> <p>Contact officer: David Page, Ullash Karia Tel: 020 8753 2125, Tel: 07958 017901 david.page@lbhf.gov.uk, Ullash.Karia@rbkc.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
		facilities is due to expire in January 2019. In order to ensure continuation of the existing service at Phoenix as well as to explore future service delivery models for the leisure contract, it is recommended that the council aligns the end date for all leisure facilities to January 2019.		
Cabinet	6 Jul 2015 Reason: Affects 2 or more wards	Contract Variation Hammersmith Park Sports Facility This report seeks Cabinet approval to vary the contract awarded to Play Football in July 2011 for the development and management of sports facilities in Hammersmith Park. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Environment, Transport & Residents Services Ward(s): Shepherds Bush Green Contact officer: David Page, Ullash Karia Tel: 020 8753 2125 david.page@lbhf.gov.uk, Ullash.Karia@rbkc.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Jul 2015 Reason: Expenditure more than £100,000	Termination of Section 113 Agreement - Link Seeking Cabinet decision to terminate the Section 113 Agreement for the Link PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information)	Cabinet Member for 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.

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		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.		
7 September				
Cabinet	7 Sep 2015 Reason: Expenditure more than £100,000	<p>Procurement of a Homecare service for the London Borough of Hammersmith and Fulham (H&F); Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC)</p> <p>Seeking Cabinet agreement to the awarding of three new contracts for the provision of Homecare services in the London Borough of Hammersmith and Fulham.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Health and Adult Social Care</p> <p>Ward(s): All Wards</p> <p>Contact officer: Tim Lothian Tel: 020 8753 5377 tim.lothian@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	7 Sep 2015 Reason: Affects 2 or more wards	<p>Corporate Plan 2015-18</p> <p>A new Corporate Plan for H&F, setting seven key priorities and new corporate objectives to deliver on over the next three years.</p>	<p>Leader of the Council</p> <p>Ward(s): All Wards</p> <p>Contact officer: Peter Smith Tel: 020 8753 peter.smith@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	7 Sep 2015 Reason: Expenditure more than £100,000	<p>Pay & Display Infrastructure</p> <p>A review of the current arrangement and justification for the upgrade of the current pay & display arrangement across the borough.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Edward Stubbing Tel: 020 8753 4651 Edward.Stubbing@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	7 Sep 2015 Reason: Affects 2 or more wards	<p>Procurement of Flexible Energy 2016-2020</p> <p>Contract renewal of Energy procurement with LASER.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Finance</p> <p>Ward(s): All Wards</p> <p>Contact officer: Maureen McDonald-Khan, Joanna Robinson Tel: 020 8753 4701, Tel: 020 8753 1514 maureen.mcdonald-khan@lbhf.gov.uk, Joanna.Robinson@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	7 Sep 2015 Reason: Expenditure	<p>Renewal of Contract for the provision of collection, counting and banking of monies from Pay and Display machines</p> <p>This paper seeks approval to</p>	<p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): All Wards</p>	A detailed report for this item will be available at least five working days before the date of the meeting and

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)
	more than £100,000	<p>extend the contract with RBKC for cash collection from Pay and Display machines until 31st August 2016.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Contact officer: David Taylor, Matt Caswell Tel: 020 8753 2708 david.taylor@lbhf.gov.uk, Matt.Caswell@lbhf.gov.uk</p>	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>7 Sep 2015</p> <p>Reason: Expenditure more than £100,000</p>	<p>Corporate Revenue Monitor 2015/16 Month 2</p> <p>Presents a forecast of expected outturn compared to budget as at the end of May.</p>	<p>Cabinet Member for Finance</p> <p>Ward(s): All Wards</p> <p>Contact officer: Gary Ironmonger, Hitesh Jolapara Tel: 020 8753 2109, Gary.Ironmonger@lbhf.gov.uk, hitesh.jolapara@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>7 Sep 2015</p> <p>Reason: Expenditure more than £100,000</p>	<p>Corporate Revenue Monitor 2015/16 Month 3</p> <p>Provides a forecast outturn position as at the end of June. Requests budget virements.</p>	<p>Cabinet Member for Finance</p> <p>Ward(s): All Wards</p> <p>Contact officer: Hitesh Jolapara, Gary Ironmonger Tel: 020 8753 2109 hitesh.jolapara@lbhf.gov.uk, Gary.Ironmonger@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
Cabinet	7 Sep 2015	Corporate Revenue Monitor 2014-15 Outturn Presents the 2014-15 outturn revenue accounts	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	
2 November				
Cabinet	2 Nov 2015	Improving Private Rented Housing in the borough A set of options as set out in the Housing Strategy to improve the private rented sector including exploring non-mandatory licensing and introduction of a Landlord's Rental Charter	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: Nick Austin, Richard Buckley nick.austin@lbhf.gov.uk, richard.buckley@lbhf.gov.uk	

NOTICE OF CONSIDERATION OF TWO ADDITIONAL KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 6 JULY 2015 (published on 10 June 2015)

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.

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

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

The decision may be called in by Councillors; If a decision is called in, it will not be capable of implementation until a final decision is made.

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	6 Jul 2015	Direct Housing Delivery Programme And Single Contractor Framework The report recommends a phased approach to the delivery of the Direct Housing Development programme in order to increase the supply of social rented homes. The report recommends that sufficient s.106 funds and Right to Buy receipts are allocated to undertake Phase 1 of the programme, and requests approval to undertake construction works to complete Phase 1 and to undertake necessary work to obtain detailed planning consent	Cabinet Member for Economic Development and Regeneration	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: Juliemma McLoughlin, Matthew Doman Tel: 02087534547 juliemma.mcloughlin@lbhf.gov.uk , Matthew.Doman@lbhf.gov.uk	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
		<p>for Phase 2. The report also seeks approval to appoint a contractor to a single contractor framework to enable the delivery of the Direct Housing Development programme.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>		
Cabinet	<p>6 Jul 2015</p> <hr/> <p>Reason: Expenditure more than £100,000</p>	<p>Delivering the Schools Capital Programme</p> <p>Proposals to undertake a series of capital schemes on the borough's maintained schools</p>	<p>Cabinet Member for Children and Education</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: David Mcnamara</p> <p>David.Mcnamara@lbhf.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>