



London Borough of Hammersmith & Fulham

Cabinet

Agenda

MONDAY
7 SEPTEMBER 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
27 August 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

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

PUBLIC NOTICE

The Cabinet hereby gives notice of its intention to hold part of this meeting in private to consider items (16 to 19) which are exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972, in that they relate to the financial or business affairs of any particular person, including the authority holding the information.

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

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

DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on non-exempt item numbers **4-12** on this agenda using the Council's Deputation Request Form. The completed Form, to be sent to David Viles at the above address, must be signed by at least ten registered electors of the Borough and will be subject to the Council's procedures on the receipt of deputations. **Deadline for receipt of deputation requests: Wednesday 2 September 2015.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 9 September 2015**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Monday 14 September 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 14 September 2015**.

Cabinet Agenda

7 September 2015

<u>Item</u>		<u>Pages</u>
1.	MINUTES OF THE CABINET MEETING HELD ON 6 JULY 2015	1 - 16
2.	APOLOGIES FOR ABSENCE	
3.	DECLARATION OF INTERESTS	
	<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.</p>	
4.	CORPORATE REVENUE MONITOR 2015/16 MONTH 2 - MAY	17 - 54
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9.	PROCUREMENT OF ENERGY - FLEXIBLE 2016 - 2020 AND FTFP 2016 - 2018	111 - 119
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11.	HOME CARE SERVICES - AWARD OF THREE CONTRACTS	127 - 144
12.	YARROW HOUSING CONTRACT AWARD	145 - 152
13.	FORWARD PLAN OF KEY DECISIONS	153 - 170
14.	EXCLUSION OF PRESS AND PUBLIC	

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

15.	EXEMPT MINUTES OF THE CABINET MEETING HELD ON 6 JULY 201 (E)	
16.	OFF-SITE RECORDS STORAGE SERVICE CONTRACT EXTENSION: EXEMPT ASPECTS (E)	
17.	PROCUREMENT OF ENERGY - FLEXIBLE 2016 - 2020 AND FTFP 2016 - 2018 : EXEMPT ASPECTS (E)	
18.	HOME CARE SERVICES - AWARD OF THREE CONTRACTS : EXEMPT ASPECTS (E)	
19.	YARROW HOUSING CONTRACT AWARD : EXEMPT ASPECTS (E)	

London Borough of Hammersmith & Fulham



Cabinet

Minutes

Monday 6 July 2015

PRESENT

Councillor Stephen Cowan, Leader of the Council
Councillor Michael Cartwright, Deputy Leader
Councillor Andrew Jones, Cabinet Member for Economic Development and Regeneration
Councillor Max Schmid, Cabinet Member for Finance
Councillor Vivienne Lukey, Cabinet Member for Health and Adult Social Care
Councillor Lisa Homan, Cabinet Member for Housing
Councillor Sue Fennimore, Cabinet Member for Social Inclusion
Councillor Ben Coleman, Cabinet Member for Commercial Revenue and Resident Satisfaction
Councillor Sue Macmillan, Cabinet Member for Children and Education

14. MINUTES OF THE CABINET MEETING HELD ON 1 JUNE 2015

RESOLVED:

That the minutes of the meeting of the Cabinet held on 1st June 2015 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

15. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Wesley Harcourt.

16. DECLARATION OF INTERESTS

There were no declarations of interest.

17. DELIVERING THE SCHOOLS CAPITAL PROGRAMME - WINDOWS REPLACEMENT

RESOLVED:

1.1 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.

- 1.2 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).
- 1.3 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.
- 1.4 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.
- 1.5 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.
- 1.6 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.
- 1.7 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.
- 1.8 That the award of the framework be approved.
- 1.9 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.
- 1.10 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.

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.

18. HAMMERSMITH PARK SPORTS FACILITY

RESOLVED:

1.1 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.

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.

19. TERMINATION OF THE SECTION 113 AGREEMENT WITH THE LINK

RESOLVED:

That approval be given 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.

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.

20. DIRECT HOUSING DELIVERY PROGRAMME AND SINGLE CONTRACTOR FRAMEWORK

RESOLVED:

- 1.1. That the undertaking of Phase 1 of the Direct Housing Development programme as outlined below, be approved.
- 1.2. That the allocation of £7.6 million of section 106 funds required to complete Phase 1 of the Direct Housing Development programme, be approved.
- 1.3. That the use of £3.25 million Right to Buy (RTB) required to complete Phase 1 of Direct Housing Development programme, be approved.
- 1.4. That the undertaking of necessary work to achieve detailed planning consent on Phase 2 schemes, be approved.
- 1.5. That 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, be approved.
- 1.6. That approval be 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

- 1.7. That authority be delegated 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.

- 1.8. That approval be 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.
- 1.9. That approval be given to appoint Aecom Construction Services to the single contractor framework to provide development and construction services.
- 1.10. That approval be given to enter 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
- 1.11. That authority be delegated 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.
- 1.12. That authority be delegated 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.

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.

21. **ADULT SOCIAL CARE SHARED SERVICES STRATEGIC BUSINESS CASE**

RESOLVED:

- 1.1 That Cabinet supports this business case, and the creation of a strategic funding facility of £6.22 million 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 £2.46 million;
- 1.2 That Cabinet supports ASC plans for 2015-16, and the release of £833,000 in 2015-16 from LBHF reserves to execute these plans;
- 1.3 To note the following decision for Westminster City Council (WCC) and Royal Borough of Kensington and Chelsea (RBKC)

- Westminster City Council (WCC)

That the Cabinet Member for WCC supports this business case, and the creation of a strategic funding facility of £6.22 million 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 £2.41 million;

That the Cabinet Member for WCC supports ASC plans for 2015-16, and the release from WCC reserves of £737,000 in 2015-16 from WCC reserves to execute these plans;

- Royal Borough of Kensington and Chelsea (RBKC)

That RBKC Cabinet supports this business case, and the creation of a strategic funding facility of £6.22 million 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 £1.35 million;
That RBKC Cabinet supports ASC plans for 2015-16, and the release of £499,000 in 2015-16 from RBKC reserves to execute these plans;

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.

22. CARDIOVASCULAR DISEASE PREVENTION SERVICE

RESOLVED:

- 1.1 That Cabinet notes the award of a framework agreement for three years, with the option to extend for one further year to Supplier 2.
- 1.2 That approval be given 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.
- 1.3 That approval be given 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.
- 1.4 To note the following decisions for Westminster City Council (WCC) and Royal Borough of Kensington and Chelsea (RBKC)

- 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.

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.

- 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).

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.

23. PUBLIC HEALTH 0-5 YEARS SERVICES, DIRECT AWARD REPORT

RESOLVED:

That 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), 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.

24. APPROVAL TO ESTABLISH A FRAMEWORK FOR THE PROVISION OF NEW TEMPORARY ACCOMMODATION AND ASSOCIATED MANAGEMENT SERVICES

RESOLVED:

- 1.1 That approval be 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.
- 1.2 That the appointment of Tando Property Services Limited and Hill Holdings Limited to the framework for the provision of services under Lot 1, be agreed.
- 1.3 That the the appointment of Tando Property Services Limited, Hill Holdings Limited and Mears Ltd to the framework for the provision of services under Lot 2, be approved.
- 1.4 That the 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, be approved.

- 1.5 That the undertaking of a mini-completion under Lot 2 for the provision of additional 50 units suitable for the provision temporary accommodation, be approved.
- 1.6 That approval be given 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.
- 1.7 That approval be given 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.
- 1.8 That approval be 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
- 1.9 That approval be 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.
- 1.10 That 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, 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.

25. LEASE AGREEMENT - REQUEST FOR DELEGATED AUTHORITY

RESOLVED:

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.

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.

26. THE PROCUREMENT OF QUANTITY SURVEYING SERVICES OFF THE CONSTRUCTION RELATED CONSULTANCY SERVICES FRAMEWORK AGREEMENT 2012 VIA A MINI- COMPETITION

RESOLVED:

1.1. 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 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.

1.2. 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, 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.

27. TASKFORCE ON SOCIAL VALUE PROCUREMENT

RESOLVED:

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.

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.

28. FORWARD PLAN OF KEY DECISIONS

RESOLVED:

The Key Decision List was noted.

29. 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.]

30. **EXEMPT MINUTES OF THE CABINET MEETING HELD ON 1 JUNE 2015 (E)**

RESOLVED:

That the minutes of the meeting of the Cabinet held on 1 June 2015 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

31. **HAMMERSMITH TOWN HALL - REMODELLING AND REFURBISHMENT**

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.

32. **REQUEST FROM SERCO FOR NOVATION OF WASTE CONTRACT : EXEMPT (E)**

RESOLVED:

The report was withdrawn.

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.

33. ICT TRANSITION FUNDING AND VIABILITY : EXEMPT (E)

RESOLVED:

That the recommendations in the exempt 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.

34. HAMMERSMITH PARK SPORTS FACILITY : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendations in the exempt 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.

35. TERMINATION OF THE SECTION 113 AGREEMENT WITH THE LINK : 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.

36. DIRECT HOUSING DELIVERY PROGRAMME AND SINGLE CONTRACTOR FRAMEWORK : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendations in the exempt 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.

37. CARDIOVASCULAR DISEASE PREVENTION SERVICE : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendations in the exempt 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.

38. PUBLIC HEALTH 0-5 YEARS SERVICES, DIRECT AWARD REPORT : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendations in the exempt 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.

39. APPROVAL TO ESTABLISH A FRAMEWORK FOR THE PROVISION OF NEW TEMPORARY ACCOMMODATION AND ASSOCIATED MANAGEMENT SERVICES : EXEMPT ASPECTS (E)

RESOLVED:

That the report be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

40. LEASE AGREEMENT - REQUEST FOR DELEGATED AUTHORITY : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendations in the exempt 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: 7.08 pm

Chair

	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>7 SEPTEMBER 2015</p>
<p>CORPORATE REVENUE MONITOR 2015/16 MONTH 2 - MAY</p>	
<p>Report of the Cabinet Member for Finance : Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Hitesh Jolapara – Strategic Director for Financial Corporate Services</p>	
<p>Report Author: Gary Ironmonger</p>	<p>Contact Details: Gary Ironmonger Tel: 020 (8753 2109) E-mail: gary.ironmonger@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The General Fund outturn forecast is an overspend of £4.280m with budget risks of £7.210m.
- 1.2. The HRA is forecast to underspend by £0.205m with HRA general reserves of £15.844m at year end. The HRA budget risks are £1.419m.
- 1.3. General fund virements of £1.853m are requested. A contingency of £1m was created within the 2015/16 budget to cover potential income shortfalls that were likely from changes to CCTV use for parking enforcement. The legislation has now been passed and a virement is requested to transfer budget from contingencies to the Controlled Parking budgets. Adult Social Care are requesting the drawdown from reserves of £0.853m budget carried forward to cover demand pressures in the Learning Disability Service (£0.473m), Careline service (£0.280m) and for provision of Assistive Equipment and Technology to clients (£0.1m).
- 1.4. Due to the on-going transition the CRM2 forecast is not based on data taken from MSP/Agresso, provided by BT. It is focused on high risk areas and reflects discussions with service managers and information taken from other systems (e.g. Adult Social Care framework-i care payments &

management system). As this forecast concentrates on high risk areas it is focused on the budgets with the highest probability of overspending. Whilst this provides some assurance to the forecast figures it does expose the authority to a higher than normal financial risk. The longer the transition takes the greater the financial risk.

2. RECOMMENDATIONS

- 2.1. That the General Fund and HRA month 2 revenue outturn forecast be noted.
- 2.2. That the proposed virements of £1.853m as detailed in appendix 11 be agreed.

3. REASONS FOR DECISION

- 3.1. The decision is required to comply with the financial regulations.

4. CORPORATE REVENUE MONITOR (CRM) 2015/16 MONTH 2 GENERAL FUND

Table 1: General Fund Projected Outturn – Period 2

Department	Revised Budget At Month 2 £000s	Forecast Year End Variance At Month 2 £000s
Adult Social Care	59,323	1,226
Centrally Managed Budgets	26,594	0
Children's Services	46,697	3,000
Environment, Leisure & Residents' Services	29,179	0
Finance and Corporate Services	16,156	413
Housing & Regeneration	6,613	(156)
Library Services (Shared Services)	3,221	0
Public Health Services	0	0
Transport & Technical Services	16,354	311
Controlled Parking Account	(21,318)	(514)
Net Operating Expenditure*	182,819	4,280
Key Risks		7,210

*note: figures in brackets represent underspends

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

- 4.2. The variance for Centrally Managed Budgets excludes any unspent contingency funds. Currently £2.5m of contingency balances are uncommitted and £1m has been earmarked to cover the loss of income due to legislative changes on the use of CCTV for parking enforcement.

CORPORATE REVENUE MONITOR 2015/16 HOUSING REVENUE ACCOUNT

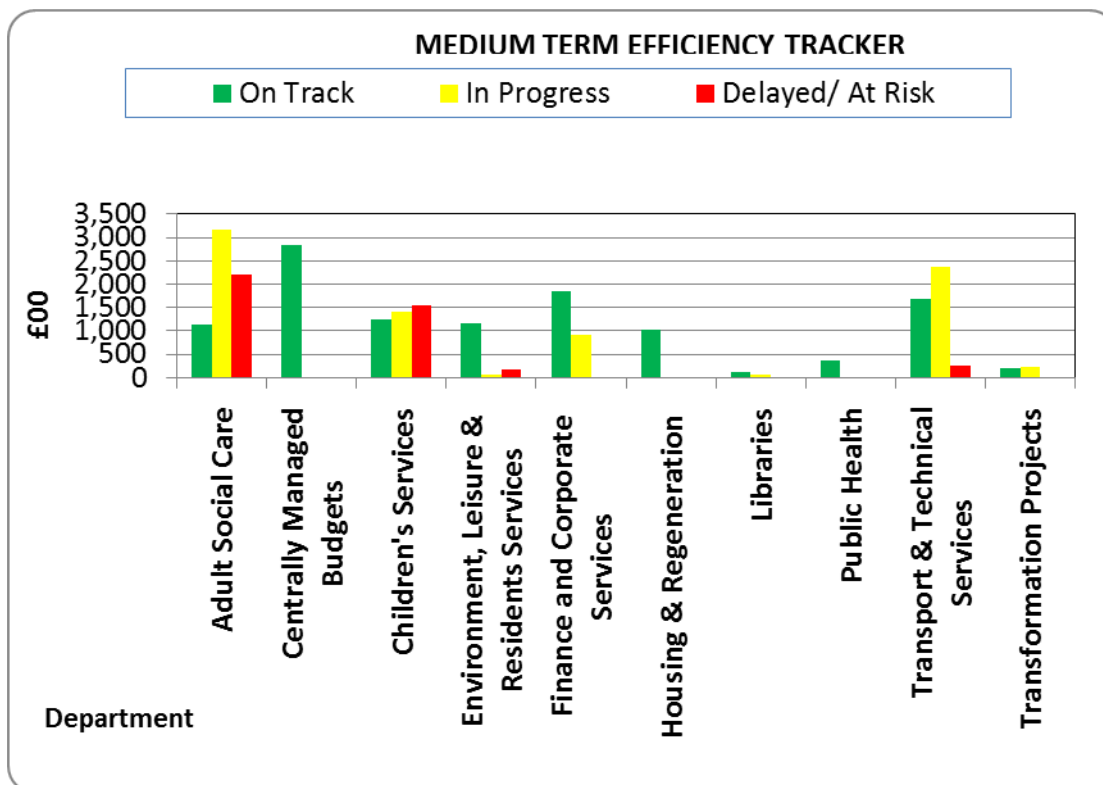
Table 2: Housing Revenue Account Projected Outturn - Period 2

Housing Revenue Account	£000s
Balance as at 31 March 2015	(13,165)
Add: Budgeted Contribution to Balances	(2,474)
Add: Forecast Underspend	(205)
Projected Balance as at 31st March 2016	(15,844)
Key Risks	1,419

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

5. MEDIUM TERM FINANCIAL STRATEGY EFFICIENCY TRACKER SUMMARY

- 5.1. The 2015/16 budget included efficiency proposals of £24m. Progress against these is summarised below and detailed in Appendices 1 to 9.



6. VIREMENTS & WRITE OFF REQUESTS

- 6.1. Cabinet is required to approve all budget virements that exceed £0.1m.
- 6.2. General fund virements of £1.853m are requested. A contingency of £1m was created within the 2015/16 budget to cover potential income shortfalls that were likely from changes to CCTV use for parking enforcement. The legislation has now been passed and a virement is requested to transfer budget from contingencies to the Controlled Parking budgets. Adult Social Care are requesting the drawdown from reserves of £0.853m budget carried forward to cover demand pressures in the Learning Disability Service (£0.473m), Careline service (£0.280m) and for provision of Assistive Equipment and Technology to clients (£0.1m).
- 6.3. There are no write off requests at month 2.

7. CONSULTATION

- 7.1. N/A.

8. EQUALITY IMPLICATIONS

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

9. LEGAL IMPLICATIONS

- 9.1. There are no legal implications for this report.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The General Fund outturn forecast at Month 2 is for an overspend of £4.280m.
- 10.2. The HRA outturn forecast at Month 2 is an underspend of £0.205m.
- 10.3. Due to the on-going transition the CRM2 forecast is not based on data taken from Agresso. It is focused on high risk areas and reflects discussions with service managers and information taken from other systems (e.g. Adult Social Care framework-i care payments & management system). Whilst this provides some assurance to the forecast figures it does expose the authority to a higher than normal financial risk. The longer the transition takes the greater the financial risk.
- 10.4. Implications verified/completed by: Gary Ironmonger

11. IMPLICATIONS FOR BUSINESSES

- 11.1. Nothing within this report impacts on local businesses.

12. RISK MANAGEMENT

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

13. PROCUREMENT AND IT STRATEGY IMPLICATIONS

13.1. N/A

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
	None		

List of Appendices

Appendix 1	Adult Social Care Revenue Monitor
Appendix 2	Centrally Managed Budgets
Appendix 3	Children's Services Revenue Monitor
Appendix 4	Environmental Leisure and Residents Services Revenue Monitor
Appendix 5	Finance and Corporate Services Revenue Monitor
Appendix 6	Housing and Regeneration Department Revenue Monitor
Appendix 7	Library Services (Shared Services) Monitor
Appendix 8	Public Health Services Monitor
Appendix 9	Transport and Technical Services Monitor
Appendix 9a	Controlled Parking Account Revenue Monitor
Appendix 10	Housing Revenue Account Monitor
Appendix 11	Virements

APPENDIX 1: ADULT SOCIAL CARE

BUDGET REVENUE MONITORING REPORT – PERIOD 2

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
Integrated Care	41,442	1903	<p>Similar to the previous year, there are continued pressures on the Home Care Packages and Direct Payments budgets as part of the out of hospital strategy, to support customers at home and avoid hospital admission or to enable early discharge. This has led to an increase in home care costs above that which would have normally occurred. There is a net projected overspend of £889,000. The department jointly with the Clinical Commissioning Group (CCG) have commissioned a piece of work to understand the pressures on the health system causing the overspend in homecare. There is likely to be cost pressures on the Homecare budget with the tendering of the new Home care contracts during 2015/16. This is currently being modelled to include an increase in prices to improve quality and a potential increase in demand and is excluded from the current projections. The modelling will also include mitigations such as negotiating a contribution from the CCG and potential economies from new ways of working. In 2015/16 any budget pressures will be funded from departmental pressures and demand balance sheet reserve.</p> <p>Within the Physical Support, Sensory Support and Support with Memory and Cognition client groups, the Placement budget is projecting a net underspend of (£521,000) which is consistent with the departmental strategy to reduce the number of customers in residential and nursing placements.</p>

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
			<p>There is an underspend in the PFI budget of (£365,000) in 2015/16 due to an out of court settlement reached with Care UK under the PFI contract in April 2015. This settlement resulted in significant one off savings for the Council. The Council also saved (£1.66m) which was reflected in the outturn figures in 2014/15.</p> <p>Within the Learning Disability Service, there is a net projected overspend of £560,000. The main reasons for the overspend relate to the full year effect of transitions customers and a further five Social Care customers now staying for the full year, resulting in the net LD Placement projected overspend of £554,000. Included in the projections is £87,000 MTFs shortfall in Day Care review and this is offset by (£81,000) net underspend in the LD Home care service.</p> <p>The projected underspend of (£395,000) in Mental Health Services is within the Placements budget with the continued reduction of customers numbers since the commencement of this year.</p> <p>There are pressures emerging in the Assistive Equipment Technology budget with a projected overspend of £106,000 due to the out of hospital strategy and the additional spending on the Community Independence Service (CIS) to prevent entry into hospital. From 2015/16, there is CCG funding from the CIS model to assist with the budgetary pressure. There is an income shortfall of £280,000 on Careline services.</p> <p>There is a £2 million risk that Better Care Fund savings will not be fully realised. The majority of the savings are from the new Community Independence Service enabling reductions in residential and nursing placements as well as a reduction in homecare from reablement. This saving will be closely monitored during the year. Partly offsetting this</p>

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
			pressure is a projected underspend of (£650,000) from additional integrated care health funding.
Strategic Commissioning & Enterprise	9,679	176	There is a projected overspend of £176,000 from Supporting People procurement savings mainly resulting from 3 projects not progressed as proposed saving measures.
Finance & Resources	7,420	0	
Executive Directorate	782	0	
Total	59,323	2,079	
Funding from Pressures and Demand Reserve		(853)	
Variance Post Reserve Funding		1,226	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
There is an aging population as growth is expected to be 1% per annum. The budget has been set with no overall growth for this financial year.	0	450
Increase in inflationary pressures for Older People, Physical Disabilities & Learning disabled people placements.	0	300
Increase in demand Learning disabled transitions placements and care packages as no growth has been budgeted for.	0	700
.		
Total	0	1,450

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Adult Social Care		MTFS Target	On Track	In Progress	Delayed/ At Risk
		£000s	£000s	£000s	£000s
Total MTFS Savings		6,514	1,146	3,163	2,205
Schèmes Delayed/ At Risk	£000s	Reason			
In Progress	3,163	Discussions are on-going with the service providers and at this stage are expected to be delivered			
Delayed / at risk	2,205	Factored into the month 2 projections to be managed as part of the overall department budget.			

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

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Adult Social Care (ASC) is projecting a net overspend of £1,226,000 at this early stage of the financial year. This is after funding from the pressures and demand balance sheet reserve of (£853,000) to mitigate on a one off basis the overall projected pressures of £2,079,000.

The Department is proposing to drawdown the following balances from the carry forward of the 2014-15 underspend to arrive at the projected variance of £1,226,000.

Learning Disabilities Service	£473,000
Careline Income Shortfall	£ 280,000
Equipment pressures	<u>£ 100,000</u>
Total	<u>£853,000</u>

At this early stage of the financial year, this is a light touch monitoring report and as the months progress, more detail monitoring work will be undertaken. This month's projection should be treated with caution due to the issues with the introduction on the Managed Services system.

APPENDIX 2: CENTRALLY MANAGED BUDGETS

BUDGET REVENUE MONITORING REPORT – PERIOD 2

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
Corporate & Democratic Core	5,857	0	
Housing and Council Tax Benefits	(91)	0	
Levies	1,570	0	
Net Cost of Borrowing	1,082	0	
Other Corporate Items (Includes Contingencies, Insurance, Land Charges)	8,340	0	
Pensions & Redundancy	9,836	0	
Total	26,594	0	

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2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Risk of additional borrowing costs due to interest rate rises.		1,000
Total		1,000

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Centrally Managed Budgets		MTFS Target	On Track	In Progress	Delayed/ At Risk
		£000s	£000s	£000s	£000s
Total MTFS Savings		2,833	2,833		
Schemes Delayed/ At Risk	£000s	Reason			

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

CRM 2 is a light touch monitor concentrating on the high risk or high value budget areas.

APPENDIX 3: CHILDREN'S SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 2

1: Variance by Departmental Division

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Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
Schools Commissioning and Education Services	4,531	41	<p>130k pressure due to additional posts required in relation to the conversion of Special Education Needs (SEN) Statements into the new Education, Health and Care Plan (EHCP) format.</p> <p>There are also additional cost pressures within the SEN transport contract (34k) and the Music Hub (30k).</p> <p>These have been partially offset by 155k of planned underspends across the service including staffing costs and increased income.</p>
Family Services	30,023	2,579	<p>Family Services is currently projecting a £2.6m overspend as it continues to incur significant placement pressures not fully funded by the Government. These placement pressures include Semi-Independent Living costs as a result of 16-17 year olds requiring accommodation (£492k), support to those Families and Children in Need (283k), Independent Fostering Agencies (IFA) where in-house options are not available to the service (£414k), plus overspends on residential placements for Looked After Children (LAC) as the service is faced with high-risk, complex needs children (£318k).</p> <p>Additional pressures are projected with regards to staffing costs across the service (£700k). This is currently under review by the Senior Leadership Team within Children's services to see what measures can be introduced to contain this expenditure further.</p>

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
			Similarly there will be reviews of invest to save projects relating to Multi Agency Safeguarding Hub (MASH) and Adoption Reform proposals (£404k).
Children's Commissioning	5,290	(2)	Projected 60k overspends due to staffing & project costs within Transport Commissioning Team. This is to be offset by a reduction in contract costs with the West London Mental Health Trust.
Safeguarding, Review and Quality Assurance	1,737	123	Projected overspend due to underfunded staffing costs within Safeguarding teams
Finance & Resources	5,116	259	The Finance and Resources projected overspend relates to additional costs to support the development of major projects and service reviews within Family and Children's Services (196k). There are also pressures in relation to delivery of savings within the Finance team due to the delay in full implementation of the Managed Services project (263k). These overspends are offset by additional rental income.
Total	46,697	3,000	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
21+ Increase in Education	88	100
Staying Put	192	235
Consequential Costs of Staying Put Arrangements	17	30
18+ Children With Disabilities not meeting ASC criteria	80	160
Impact of Secure Remand on Leaving Care	158	190
Increasing Adoption Arrangements	169	175
Increasing Special Guarding Arrangements	136	150
Serious Case Review Costs	25	50
Unaccompanied Asylum Seeking Children 18+ (unfunded 25 FTEs)	250	300
No Recourse to Public Funds	20	50
Southwark Judgement	75	165
Delayed start to Assessment Contract	68	90
ICT Costs	30	100
Total	1,278	1,695
<p>Note: The lower limit for these risks has been included within the reported variance in section one above which effectively means the additional risk within these budget areas is £417k</p>		

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Children's Services		MTFS Target	On Track	In Progress	Delayed/ At Risk
		£000s	£000s	£000s	£000s
Total MTFS Savings		4,199	1,252	1,400	1,547
Schemes Delayed/ At Risk	£000s	Reason			
People Portfolio Savings	128				
Independant Fostering Agencies Review	250	The profile of the current LAC population and the un-availability of suitable in-house foster carers has meant an over reliance on more expensive Independent Fostering Provider placements. Strategies to increase the pool of available in-house foster carers are currently being scoped.			
Finance Restructure	250	Delay in the proposed restructure of the service as resources are retained for the full implementation of the Managed Services project.			
Remodel of LAC Service	300	The LAC service re-organisation is currently underway and should be concluded shortly. The re-organisation will not result in a full year saving and the reliance on the use of agency staff members could put the savings target at risk in 15/16.			
Substitution funding (Education DSG, PHS, Troubled Families)	200	The strategy to deliver the £200k saving has not yet been defined. The strategy of using one off grant funding or Payment By Results will not result in long-term efficiencies and is uncertain.			
10 more relative placements	70	The service will explore the availability and willingness of connected persons to care for LAC children in all appropriate cases, however may not be able to achieve this target.			
New model for Respite overnight care	125	The strategy to deliver this saving has not yet been clearly defined.			

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

The department is projecting a net overspend of £3m at this early stage as a number of cost pressures highlighted last year continue to manifest themselves in the current financial year based on forecast models. Whilst the department continues to look at alternative models of service delivery to try and contain many of the pressures faced, changes in practice forced by legislative and regulatory changes introduced under the previous Government have resulted in inadequate funding being distributed to local authorities.

£1.2m of these pressures relate to increased placement cost. These costs manifest themselves as a result of either Case Law requiring changes in our level of provision e.g. the Southwark Judgement that establishes the level of support including access to Leaving Care services that young people who are needed to be housed under this provision are entitled to; or changes in the role of the Corporate Parent, as determined by the previous Government but for which the level of additional funding provided does not equal the cost of the additional liability that the Council is incurring.

This additional pressure is contrary to the New Burdens doctrine whereby the Government is expected to provide additional funding equivalent to the level of liability incurred by the local authorities.

The areas where particular placement pressures are relevant are:

- Secure Remand
- NRPF (No Recourse to Public Funds)
- UASC (Unaccompanied Asylum Seeking Children)
- Southwark Judgement
- Staying Put

APPENDIX 4: ENVIRONMENT, LEISURE & RESIDENTS SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 10
BUDGET REVENUE MONITORING REPORT – PERIOD 2

1: Variance by Departmental Division

Departmental Division	Revised Budget £000s	Variance Month 2 £000s	Variance Analysis
Cleaner, Greener & Cultural Services	20,944	(350)	<p>(£415k) Waste Disposal – Western Riverside Waste Authority (WRWA) has been able to freeze waste disposal tonnage prices for 2015/16 and as a result we are expecting to underspend. However, like other London Boroughs, more expensive general waste tonnages are increasing (2014/15 ended 3% up on the previous year) whilst cheaper recycling tonnages are decreasing (down an average 7% year on year).</p> <p>£65k Street Scene Enforcement - The council always prosecutes those who do not pay Fixed Penalty Notices (FPNs). Since last summer it has also stepped up its prosecutions for flytipping, as FPNs cannot be used for this type of offence. This is expected to add a £16k pressure on the legal budgets. FPNs are also reducing, mostly due to increased littering compliance in the borough’s transport hubs, which has a positive impact on the overall street scene but at the same time is expected to give rise to a £49k income pressure.</p>
Safer Neighbourhoods	7,757	290	<p>£120k Cemeteries Income – Income was £120k less than budget in 2014/15 and a downward trend has been observed in recent years. This is expected to continue in 2015/16 although in-borough grave spaces are now available for purchase by non-residents. Any sales at this premium rate will have a positive impact on the forecast.</p> <p>£100k Transport – The Transport budgets are set on the assumption that the Passenger Transport service would be brought back in house for 2015/16, meaning</p>

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
			additional management and repair income for ELRS (£100k annually). This is still being reviewed and so the full year shortfall is included in the forecast. £70k Hammersmith All Weather Pitch – the arrangements for the leisure facility are currently under review. It is not expected that the prior year saving in this area will now be achieved. This is the subject of a separate report.
Customer & Business Development	631	60	£28k Registrars – There was a £70k shortfall in income in 2014/15 which was largely due to temporary capacity issues in the team. Managers are working to resolve this and close the budget gap. An overspend is currently forecast whilst this is under review.
Director & Resources	(153)	0	
Total	29,179	0	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Due to the delay in the sales to cash module in Agresso becoming operational the department is not up to date with sales invoicing. This is especially risky where services have already been provided but not yet invoiced (e.g. events and filming).	0	200
Total	0	200

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Environment, Leisure & Residents Services		MTFS Target	On Track	In Progress	Delayed/ At Risk
		£000s	£000s	£000s	£000s
Total MTFS Savings		1,395	1,170	65	160
Schemes Delayed/ At Risk	£000s	Reason			
Increased income from CCTV ducting contract	160	Risk that underground ducting concession contract will not achieve the income target in full. The guaranteed element is £87k in 2015/16 compared to the overall target of £282k. Any shortfall is expected to be funded from the ELRS MTFS pressures reserve.			

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

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The department forecasts a balance budget for year end, although a number of risk areas exist as reported here. Work is underway to permanently address these early in the financial year.

Service managers are routinely challenged on budget pressures through DMT forum each month and all areas of financial performance are rigorously challenged at the Quarterly Performance Review Board. This is to ensure that action to address adverse variances is being proactively and promptly progressed.

APPENDIX 5: FINANCE AND CORPORATE SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 2

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
H&F Direct	19,444	250	The main pressures are: a projected £150k shortfall in Collection Fund court costs recovery (due to an expected reduction in recovery resulting from Agresso delays against a historic unachievable income target); and £150k overspend in Housing Benefits temporary staff (to prevent future backlogs and maintain target service standards). These are partially offset by savings elsewhere.
Innovation & Change Management	(165)	0	
Legal Democratic Services	(1,387)	(155)	This is a projection based on the first months' activity on our trading account. This forecast is broadly consistent with last year's outturn.
Third Sector, Strategy & Communications	1,156	238	The overspend is forecast due to a historical income target based on print which is unachievable due to digitisation.
Finance & Audit	132	0	
Procurement & IT Strategy	(2,619)	155	HFBP support costs have increased as a result of the requirement for additional support to facilitate Shared Services working.
Executive Services	(830)	(50)	There are no expected changes from last year's outturn.
Human Resources	425	(25)	
Other			
Total	16,156	413	

2: Key Risks

Key risks have been identified above. The department will work to mitigate the risks and pressures in year.

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Finance & Corporate Services		MTFS Target	On Track	In Progress	Delayed/ At Risk
		£000s	£000s	£000s	£000s
Total MTFS Savings		2,762	1,845	917	
Schemes Delayed/ At Risk		£000s	Reason		

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

APPENDIX 6: HOUSING & REGENERATION DEPARTMENT

BUDGET REVENUE MONITORING REPORT – PERIOD 2

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
Housing Options, Skills & Economic Development	6,677	(156)	This relates to a forecast reduction in procurement costs (£156k) following the expiry of an expensive lease for temporary accommodation and the Council procuring suitable alternative accommodation more cost effectively.
Housing Strategy & Regeneration	7	0	
Housing Services	43	0	
Strategic Housing Stock Options Appraisal - General Fund			
Finance & Resources	(114)	0	
Total	6,613	(156)	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Temporary Accommodation Procurement Costs – recent months have seen increased difficulties in containing the cost pressures associated with procuring suitable temporary accommodation from private sector landlords. Officers are continuing to make use of incentive payments to private landlords in mitigating this risk.	239	585
Managed Services – the general lack of data available from the system, the lack of systems assurance and reconciliation reporting, the time taken to resolve payment issues, the opportunity cost of officer time in managing issues arising and other factors are expected to have both a financial and non-financial impact on the Council.	unknown	unknown
Total	unknown	unknown

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3: MTFs Progress (with explanations of schemes Delayed or at Risk)

Housing & Regeneration Department		MTFS Target	On Track	In Progress	Delayed/ At Risk
		£000s	£000s	£000s	£000s
Total MTFs Savings		1,023	1,023		
Schemes Delayed/ At Risk	£000s	Reason			

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

The Housing and Regeneration department currently expects the overall outturn for the year 2015/16 to produce a favourable variance of (£156k).

It should be noted that it has not been possible to complete detailed budget monitoring via Agresso this month due to the delay on the roll out of key monitoring reports. However, finance officers have met with Heads of Service in order to identify significant variances from budget and to ensure that appropriate management action is taken in order to contain cost pressures. Nevertheless, there remains a significant risk to the accuracy of forecasts until Managed Services is fully implemented.

Further detail relating to the issues arising as a result of Managed Services are outlined in the Key Risks section above.

APPENDIX 7: LIBRARY SERVICES (Shared Services)

BUDGET REVENUE MONITORING REPORT – PERIOD 2

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
Libraries Shared Service	3,221	0	
Total	3,221	0	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Income from customer fees and charges due to less demand for increasingly obsolete product formats (DVDs, CDs etc.).	10	30
Premises and utility costs including Westfield	10	30
Total	20	80

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Libraries Shared Services	MTFS Target	On Track	In Progress	Delayed/ At Risk
	£000s	£000s	£000s	£000s
Total MTFS Savings :	162	107	55	
Schemes Delayed/ At Risk	£000s	Reason		

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

At this stage in the year, no significant financial issues causing an unmitigated pressure are foreseen.

APPENDIX 8: PUBLIC HEALTH SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 2

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
Sexual Health	6,410	0	
Substance Misuse	5,464	0	
Behaviour Change	2,753	0	
Intelligence and Social Determinants	89	0	
Families and Children Services	5,135	163	Variance due to the 0-5 programme to be transferred to LBHF in October 2015, actual figures replacing the original estimates included the budgeted figures.
Public Health Investment Fund (PHIF)	2,185	226	Additional spend due to late started PHIF project funding being rolled forwards to 2015/16 (underspends in 14/15 taken to reserves).
Salaries and Overheads	1,435	0	
Drawdown from Reserves	(783)	(226)	Additional drawdown of reserves to cover rolled forward funding for PHIF.
Public Health – Grant	(20,855)	0	In-year reduction in Public Health Grants have been announced by Central Government, however exact details of allocations have yet to be finalised.
Public Health 0-5 Programme Grant (from Oct 2015)	(1,833)	(163)	Variance due to the 0-5 programme (see above).
Total	0	0	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
In year reduction to Public Health Grant	876	Unknown
Total	876	Unknown

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Public Health Services	MTFS Target	On Track	In Progress	Delayed/ At Risk
	£000s	£000s	£000s	£000s
Total MTFS Savings	350	350	0	0

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4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

Public Health Grant Reduction;

Public Health is currently working on possible scenarios and action plans following the announcement that the Public Health Grant will be cut by £200m across England. It is currently unclear how these cuts will affect individual councils and various scenarios are being looked into. The amount listed in the Risks Section's lower limit represents 7.2% of the budget (the average reduction across Local Authorities, pro-rata down to 7 months), however as we have not been given details of where the cuts will fall, it is impossible to give an upper limit.

Re-procurement

A number of large contracts will come to an end during this financial year, this combined with the possible need to re-procure early following the announcement of cuts to the Public Health Grant, we will need to identify the necessary resources to achieve this in the given time frame.

APPENDIX 9: TRANSPORT AND TECHNICAL SERVICES

BUDGET REVENUE MONITORING REPORT – PERIOD 2

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
Building & Property Management (BPM)	(1,957)	291	<p>The adverse variance at this stage in BPM relates to the following</p> <ul style="list-style-type: none"> £275k in Advertising Hoardings – For the month of April, the advertising hoarding income for one of the sites has reduced by £183k as compared to the same period last year. Officers are seeking an urgent meeting with the main contractor to determine the causes. The flyover closures may be part of the reason, but when they occurred last year they did not affect income to the same extent. <p>It is difficult to predict the impact this will have for the rest of the year if it continues. The current forecast is therefore based on the assumption that the poor income levels in April were one off and that the income pattern for the rest of the year will be the same as that achieved during 2014/15. Remedial actions are being investigated and income levels will be monitored closely in the coming months. The risk of further income shortfalls is shown in Table 2.</p> <ul style="list-style-type: none"> £76k in Civic Accommodation – Due to a combination of an unachievable rental income target of about £42k and an anticipated overspend on utilities of £32k based on previous years consumption. <p>Some of the above overspend is offset by the Building Control Section’s favourable variance of £66k arising from additional income from large building schemes.</p>

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
Transport & Highways	12,684	1	
Planning	2,622	8	
Environmental Health	3,478	(7)	
Support Services	(473)	18	
Total	16,354	311	

2: Key Risks

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Risk Description	Lower Limit	Upper Limit
	£000s	£000s
If expenditure incurred on disposed assets cannot be met by disposal receipts and on properties not being sold, this would need to be funded from Corporate Reserves.	0	200
If there is a continuing shortfall in advertising hoarding income.	300	2,000
Total		2,200

3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Transport & Technical Services		MTFS Target	On Track	In Progress	Delayed/ At Risk
		£000s	£000s	£000s	£000s
Total MTFS Savings		4,307	1,685	2,372	250
Schemes Delayed/ At Risk	£000s	Reason			
Advertising Hoardings Income	200	Lower than expected income from Advertising Hoardings sites for remedial works.			
LED lighting and Column replacement maintenance budgets	50	Street lighting LED pilots are running, and plans are in place to extend this. Currently, only 50% of the savings are expected to be achievable.			

4: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

Progress in all budget areas will be monitored closely by the Executive Director and the Management Team. Where there are significant variances remedial actions will be developed to contain actuals within budget.

APPENDIX 9a: CONTROLLED PARKING ACCOUNTS (CPA)

BUDGET REVENUE MONITORING REPORT – PERIOD 2

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
Pay & Display (P&D)	(12,229)	847	Pay and display receipts are 5% lower at the start of 2015-16 than they were in the same period last year. To be monitored closely over the coming months.
Permits	(4,690)	97	The forecast is based on the previous year's final outturn. No major changes are expected in the numbers of permits in issue.
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(6,814)	925	The number of PCNs issued in the first two months of 2015-16 is 10% lower than in the same period last year. This has resulted in a forecast shortfall against budget.
Bus Lane PCNs	(915)	(368)	There has been an increase in the numbers of PCNs issued in the first two months of the year.
CCTV Parking PCNs	0	(83)	New legislation came into effect in 2015-16 to no longer allow the enforcement of parking through the use of CCTV, except in certain limited circumstances. A virement has been requested below to remove the income budget associated with this.
Moving Traffic PCNs	(5,814)	(1,060)	The number of PCNs issued in the first two months of 2015-16 is higher than the same period in the previous year. This has resulted in a forecast above the budgeted amount.
Parking Bay Suspensions	(2,423)	(918)	Income from parking bay suspensions has continued at the level seen last year. The budget for income was increased by £863k for 2015-16.
Towaways and Removals	(352)	87	Receipts from towaways are at a similar level to the previous year.

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
Expenditure and Other Receipts	11,919	(41)	Staffing costs are assumed to be at the same level as at the end of 2015-16. This will be updated for the next report, when more information is available.
Total	(21,318)	(514)	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
None to report		
Total		

3: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

A budget of £1m was set aside as a corporate contingency in the 2015-16 budget, to allow for a change in legislation that would no longer permit the use of CCTV for enforcement, except in certain very limited circumstances (such as outside schools). This new legislation came into effect in April, and as a result there has been a great reduction in the numbers of PCNs being issued using CCTV, from an average of 1,830 per month in 2014-15 to a monthly average of 127 in April and May 2015. The transfer of this contingency budget into the controlled parking account is requested, to allow for this reduction. It has been assumed that this virement will happen in the monitoring report above.

APPENDIX 10: HOUSING REVENUE ACCOUNT

BUDGET REVENUE MONITORING REPORT – PERIOD 2

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 2	Variance Analysis
	£000s	£000s	
Housing Income	(77,484)	0	
Finance and Resources	15,164	(50)	An underspend on salaries of (£50k) is expected due to vacancies.
Housing Services	9,578	0	
Commissioning and Quality Assurance	3,119	0	
Strategic Housing Stock Options Appraisal HRA	0	0	
Property Services	2,163	0	
Housing Repairs	13,748	0	
Housing Options	369	0	
HRA Central Costs	0	0	
Adult Social Care	48	0	
Regeneration	267	0	
Safer Neighbourhoods	578	0	
Housing Capital	29,976	(155)	Additional interest receivable on HRA balances following a review of the average interest rate on short term investments and the forecast balances expected within the HRA general reserve, Major Repairs Reserve and Decent Neighbourhoods Fund.
(Contribution to)/ Appropriation From HRA General Reserve	2,474	(205)	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000s	£000s
Housing Development Programme: if the Council's housing development projects progress in accordance with approved plans, then the associated costs will be capitalised. However, if projects do not progress, there is a lack of certainty around plans at the year end, or a different construction method is used, then an element of the costs incurred will need to be written off to revenue.	250	1,419
Managed Services – the general lack of data available from the system, the lack of systems assurance and reconciliation reporting, the time taken to resolve payment issues, the delay in implementing the system for leaseholder service charges, the delay in cash files preventing rent arrears from being managed and the associated significant bad debt risk, the opportunity cost of officer time in managing issues arising and other factors are expected to have both a financial and non-financial impact on the department.	unknown	unknown
Total	unknown	unknown

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3: MTFS Progress (with explanations of schemes Delayed or at Risk)

Housing Revenue Account	MTFS Target	On Track	In Progress	Delayed/ At Risk
	£000s	£000s	£000s	£000s
Total MTFS Savings	2,187	2,187	0	0
Schemes Delayed/ At Risk	£000s	Reason		

4: HRA General Reserve

	B/Fwd	Budgeted (Contribution to)/Appropriation from General Reserve	HRA Variance (Surplus)/ Deficit	Forecast C/F
	£000s	£000s	£000s	£000s
HRA General Reserve	(13,165)	(2,474)	(205)	(15,844)

5: Supplementary Monitoring Information (Action Plans, Virement requests or key concerns)

The Housing Revenue Account currently forecasts an under-spend of (£205k) for 2015/16.

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It should be noted that it has not been possible to complete detailed budget monitoring via Agresso this month due to the delay on the roll out of key monitoring reports. However, finance officers have met with Heads of Service in order to identify significant variances from budget and to ensure that appropriate management action is taken in order to contain cost pressures. Nevertheless, there remains a significant risk to the accuracy of forecasts until Managed Services is fully implemented.


Further detail relating to the issues arising as a result of Managed Services are outlined in the Key Risks section above.

APPENDIX 11 - VIREMENT REQUEST FORM

BUDGET REVENUE MONITORING REPORT – PERIOD 2

Details of Virement	Amount (£000)	Department
GENERAL FUND:		
Parking - to allow for a change in legislation that no longer permits the use of CCTV for enforcement, except in certain limited circumstances.	1,000/ (1,000)	TTS/CMB
Drawdown from budget carried forward for Learning Disability Service pressures	473/ (473)	ASC/ASC Reserves
Drawdown from budget carry forward for Careline Income shortfall	280/ (280)	ASC/ ASC Reserves
Drawdown from budget carry forward for Assistive Equipment & Technology budget pressures	100/ (100)	ASC/ ASC Reserves
Total General Fund Virements (Debits)	1,853	
HRA:		
Total HRA Virements (Debits)		

Departmental Name Abbreviations	
ASC	Adult Social Care
CMB	Centrally Managed Budgets
TTS	Transport & Technical Services

	London Borough of Hammersmith & Fulham CABINET 7 SEPTEMBER 2015
CORPORATE REVENUE MONITOR 2014/15 OUTTURN	
Report of the Cabinet Member for Finance : Councillor Max Schmid	
Open Report	
Classification - For Decision	
Key Decision: Yes	
Wards Affected: All	
Accountable Director: Hitesh Jolapara – Strategic Director for Financial Corporate Services	
Report Author: Gary Ironmonger	Contact Details: Gary Ironmonger Tel: 020 (8753 2109) E-mail: gary.ironmonger@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The 2014/15 Accounts are subject to review by external audit prior to their sign off by Audit, Pensions and Standards Committee by 30th September.
- 1.2. The General Fund provisional outturn was a favourable variance of £8.009m after carry forward of approved departmental underspends of £4.312m. In addition contingencies of £3.337m were not drawn down. This outcome has enabled a transfer to earmarked reserves of £11.346m.
- 1.3. The HRA outturn is a £2.643m underspend with HRA general reserves at £13.167m. HRA reserves have increased by £5.673m, due to the underspend of £2.643m, and budgeted contribution to HRA general reserves of £3.030m.

2. RECOMMENDATIONS

- 2.1. That the General Fund underspend of £11.346m (including contingencies) and the HRA underspend of £2.643m be noted.
- 2.2. That the transfer to earmarked reserves of £11.346m be noted.

2.3. That the increase in the HRA reserves of £5.673m be noted.

3. REASONS FOR DECISION

3.1. The decision is required to comply with the financial regulations.

4. 2014/15 GENERAL FUND OUTTURN

Table 1: General Fund Outturn 2014/15

Department	Revised Budget	Actual	Variance
	£'000	£'000	£'000
Adult Social Care	63,955	63,269	(686)
Centrally Managed Budgets	19,080	16,448	(2,632)
Children's Services	70,415	70,669	254
Unaccompanied Asylum Seeking Children	1,232	1,237	5
Environment, Leisure & Residents Services	29,492	29,469	(23)
Finance and Corporate Services	21,356	20,913	(443)
Housing & Regeneration	8,403	7,455	(948)
Libraries (Shared Services)	3,628	3,602	(26)
Public Health Service	347	0	(347)
Transport and Technical Services	19,537	19,479	(58)
Controlled Parking Account	(20,425)	(23,530)	(3,105)
Net Operating Expenditure	217,020	209,011	(8,009)
Contingencies Not Drawn Down	3,337	0	(3,337)
Resources Available For Reserves and Balances	220,357	209,011	(11,346)

*Figures in brackets represent underspends against budget.

4.1. The £8.009m underspend in Table 1 is after departmental carry forwards of £4.312m and excludes contingencies not drawn down of £3.337m. The underspend amounts to 1.9% of the Councils gross budget (excluding Housing Benefits transfer payments). A fuller explanation of these variances is provided in Appendix 1.

4.2. The Accounts for 2014/15 are due to be reviewed by the external auditors. Following external audit the Accounts must be signed off by Audit, Pensions and Standards Committee by 30th September.

5. 2014/15 HOUSING REVENUE ACCOUNT

Table 2: Housing Revenue Account Outturn 2014/15

Housing Revenue Account	£000s
Balance as at 31 March 2014	(7,494)
Plus: Budgeted Contribution to Balances	(3,030)

Add: In- year Underspend	(2,643)
Projected Balance as at 31st March 2015	(13,167)

- 5.1. The HRA underspent by £2.643m in 2014/15 as shown in Table 2. The reasons for the underspend are explained in Appendix 2.
- 5.2. Overall HRA balances have increased by £5.673m. This is attributable to the underspend of £2.643m and the budgeted contribution to balances of £3.030m.

6. RESERVES, BALANCES AND PROVISIONS

- 6.1. The favourable outturn resulted in a transfer to earmarked reserves of £11.346m (Table 3). This is in addition to the previously approved carry forward of departmental budget underspends of £4.312m.

Table 3: Transfers to Earmarked Reserves

Proposed Transfers to Reserves	£'000
Efficiency Projects Reserve – To top up this reserve to meet future implementation costs of delivering efficiencies	1,546
Housing Stock Options (GF). £1.2m is committed to fund the stock condition survey and other related stock options work.	1,200
IT infrastructure reserve. Investment is essential if savings are to be delivered from the migration from HFBP.	2,000
Non-Domestic Rates Deficit Support. The business rates appeals system continues to present financial risks. The Valuation Agency Office informed Hammersmith and Fulham of a further £36m of appeals at the close of 2014/15. An initial estimate is that this will require LBHF to set aside an additional £3m as a provision for appeals. It is likely that a proportion of this will be covered by safety net grant. A transfer of £1m from LBHF resources is also prudent.	1,000
Corporate Pressures. To fund emergent spend pressures and Council priorities as the Council seeks to achieve demanding savings targets and unfunded new burdens imposed by Government.	5,600
Total Contribution to Reserves and Balances	11,346

- 6.2. The General Fund Balances remain at £19.004m (4% of the gross budget excluding Housing Benefit transfer payments). This is within the range of £14m-£20m identified as prudent in the 2015/16 Budget Report. The 2015/16 Budget Report also identified financial risks and challenges facing the Council of £11.9m in 2015/16. Maintaining balances at this level will help mitigate against such risk.

- 6.3. Earmarked reserves will be, subject to Audit, £104.3m at the close of 2014/15. The departmental split is set out in Table 4 and detailed in Appendix 3. Provisions have increased to £21.1m as set out in Table 4 and expanded on in appendix 4.

Table 4: Earmarked Reserves, Balances and Provisions at 31 March 2015.

	Balance at 31 March 2015
	£m
Adult Social Care	7.276
Children's Services	1.737
Environment, Leisure and Residents Services	1.786
Libraries	0.038
Housing and Regeneration	4.578
Transport and Technical Services	5.675
Corporate	68.429
General Fund Earmarked Reserves	89.519
Housing Revenue Account Reserves	14.790
Earmarked Reserves*	104.309
Provisions**	21.128
General Balance	19.004
Total	144.441

* Reserves are specific amounts set aside for future policy purposes or to cover contingencies.

** A provision is in essence a liability of uncertain timing or amount

7. VIREMENTS

- 7.1. In order to produce the final accounts to statutory deadline of 30th June, a number of actions are required that normally need Cabinet approval (final budget carry forwards, use of reserves, budget virements, level of bad debt provision etc.). In order to meet the deadline, Cabinet delegated decision making in relation to these issues to the Director for Finance in consultation with the Cabinet Member for Finance.

8. CARRY FORWARD PROPOSALS

- 8.1. Departments have presented justifications to carry forward underspend budgets of £4.3m into 2015/16 (Table 5). These have been previously approved and noted here for information only.

Table 4: Departmental Budget Carry Forward to 2015/16

Department	Approved Budget Carry Forward
	£000s
Adult Social Care	2,044
Centrally Managed Budgets (Civica Adjustments)	248
Children's Services and Unaccompanied Asylum Seeking Children	(160)
Environment, Leisure & Residents Services	485
Finance and Corporate Services	625
Housing & Regeneration	479
Libraries and Archives	0
Public Health Service	0
Transport and Technical Services	428
Parking	163
Total	4,312

9. CONSULTATION

9.1. N/A.

10. EQUALITY IMPLICATIONS

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

11. LEGAL IMPLICATIONS

11.1. N/A

12. FINANCIAL AND RESOURCES IMPLICATIONS

12.1. These are covered in the paragraphs above.

12.2. Implications verified/completed by: Gary Ironmonger.

13. RISK MANAGEMENT

13.1. The 2015/16 Budget Report identified financial risks and challenges facing the Council of £11.9m. These risks will be monitored and actions to lessen their impacts will be taken to ensure that identified risks do not crystallise into overspends.

14. PROCUREMENT AND IT STRATEGY IMPLICATIONS

14.1. N/A

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
	None		

List of Appendices

Appendix 1	Departmental Analysis – General Fund 2014/15 Revenue Outturn
Appendix 2	Departmental Analysis – HRA 2014/15 Revenue Outturn
Appendix 3	Movement in Earmarked Reserves
Appendix 4	Provisions

APPENDIX 1:

**DEPARTMENTAL ANALYSIS – GENERAL FUND 2014/15 REVENUE
OUTTURN**

ADULT SOCIAL CARE (ASC)

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
	£'000s	£'000s	
Integrated Care	42,791	64	<p>The outturn variance in the Integrated Care Division before the carried forward of funds is (£1.98m). The main reasons for the variances are as follows:</p> <p>In April 2015 an out of court settlement was negotiated with Care UK under the PFI contract. This settlement resulted in significant one-off savings for the Council of (£1.66m), as well as on-going annual savings.</p> <p>Within the Older People and Physical Disabilities service, the Placement budget is underspend by (£1.1m) as there was an on-going reduction in client numbers. Between April 2014 to March 2015 there was a net decrease of 32 clients.</p> <p>There are pressures on the Home Care Packages and Direct Payments budgets as part of the out of hospital strategy to support customers at home and avoid hospital admission or to enable early discharge. This has led to an increase in home care costs above that which would have normally occurred with a net overspend of £0.291m. These pressures were offset by additional funding from the Delayed Discharge government grant of (£0.32m) and Winter Resilience funding from health.</p> <p>Within the Learning Disability Service, there is a net overspend of £0.984m. The main reasons for the overspend relate to three transitions customers (two from Continuing</p>

Departmental Division	Revised Budget 2014-15 £'000s	Year End Variance £'000s	Explanation of Major Variances (over £100k)
			<p>Care and one new customer) and a further five new Social Care customers in 2014/15 resulting in the net LD Placement overspend of £0.647m. The LD Direct Payment and Home Care budgets overspent by £0.325m due to an increase of five customers.</p> <p>The Assistive Equipment Technology budget outturn is breakeven after additional spending on the Community Independence Services to prevent entry into hospital with funding of £0.045m from Winter Resilience and £0.080m from Delayed Discharge grant</p> <p>Within Mental Health Services the outturn was an underspend of (£0.083m) mainly resulting from lower staffing costs.</p> <p>The outturn variance includes £2.044m carry forward to fund various ASC initiatives and budget pressures. From this £1.004m is earmarked to fund the new home care contracts.</p>
Commissioning & Enterprise	11,977	(738)	The underspend of (£0.738m) is mainly due to the Supporting People budget being underspent by (£0.552m) with appropriate costs funded by Public Health grant and (£0.215m) from Supporting People procurement savings on new contracts from the West London Framework agreement and variations on existing contracts.
Finance and Resources	8,307	(46)	The underspend in this Division is related to IT costs charged to the Managed Service programme of (£0.036m) in addition to additional Client Affairs Income.
Directorate	880	34	Within the Directorate Division, there are higher contractual costs for projects of £0.091m which is partly offset by a net reduction in general training budget underspend of (£0.057m).
Total	63,995	(686)	

CENTRALLY MANAGED BUDGETS

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15 £000s	Year End Variance £000s	Explanation of Major Variances (over £100k)
Corporate & Democratic Core	5,840	(40)	
Housing Benefits	(524)	(1,028)	Underspend due to maximising subsidy through minimising Local Authority Benefit payments error and ongoing improvements to collection of Housing Benefit overpayments.
Levies	1,570	(12)	
Net Cost of Borrowing	2,323	(80)	
Other Corporate Items	754	(135)	A favourable variance of £174k on Land Charge Income offset by a number of minor adverse variances
Civica Write-Off	0	(970)	Historic accounting adjustments for the write back of Civica invoices paid incorrectly on the Cedar finance system in previous years.
Pensions & Redundancy	9,117	(367)	Early achievement of the Pension Fund Past Service Deficit contribution savings (£272k) and a favourable variance on pension related payments for past redundancy decisions. (£88k).
CMB	19,080	(2,632)	
Contingencies not drawn down	3,337		
Total	22,417		

CHILDREN'S SERVICES DEPARTMENT (CHS)

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15 £000s	Year End Variance £000s	Explanation of Major Variances (over £100k)
Shared Services Education Service	5,114	(791)	Underspends have been incurred in staffing costs following the outcome of a number of service reviews in year. There was also an overachievement in the level of traded services income received by the service, specifically in relation to Newly Qualified Teachers.
Family Services	49,787	845	Family Services has continued to incur significant placement pressures with regards to Southwark Judgement, Secure Remand and No Recourse to Public Funds expenditure. Further pressures in relation to S17- Children in Need (children requiring support to achieve a reasonable standard of health/development) expenditure, S23- Looked After Children expenditure and supported accommodation where Young People are staying in placements longer due to a rise in the number of young people in education/university placements.
Children's Commissioning	6,366	115	Pressures within the transport and placement commissioning teams due to project costs and prior years unachievable MTFs savings
Finance & Resources	2,225	50	
Dedicated School Grant & Schools Funding	6,922	35	
Total	70,414	254	

UNACCOMPANIED ASYLUM SEEKING CHILDREN

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
	£000s	£000s	
Unaccompanied Asylum Seeking Children	1,232	6	No material variance to report
Total	1,232	6	

ENVIRONMENT LEISURE AND RESIDENT'S SERVICES

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
	£000s	£000s	
Customer & Business Development	813	79	£50k underground duct asset concession contract - Non-guaranteed income element of the new contract was less than budgeted. £29k Other
Cleaner, Greener & Cultural Services	21,399	(158)	(£140k) Waste Disposal – The partner boroughs strongly negotiated a much better unit cost of recycle this year which has reduced costs significantly. This is partly offset by increasing waste tonnages overall. Like other London Boroughs, more expensive general waste tonnages are increasing (up an average 3% on last year) whilst cheaper recycling tonnages are decreasing (down an average 7% on last year). (£18k) Other
Safer Neighbourhoods	7,432	(86)	£122k Cemeteries Income – Income £42k less than last year and £122k less than budget. Reasons for this decline are being investigated. (£160k) reversal of open orders - as part of the data cleanse prior to the transition the Agresso (£48k) Other smaller net underspends
Director & Resources	(152)	142	£118k People Portfolio Savings – ELRS achieved £6k of the £124k target. Target rises to £153k in 2015/16. £24k Other – mostly due to unexpected or increased IT charges
Total	29,492	(23)	

FINANCE AND CORPORATE SERVICES

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15 £000s	Year End Variance £000s	Explanation of Major Variances (over £100k)
H&F Direct	20,625	80	The majority of the overspend was due to a reduction in recoverable court costs associated with Council Tax compared to budget.
Innovation & Change Management	(105)	(113)	The service has experienced difficulties recruiting staff.
Legal Democratic Services	(724)	(251)	The variance reflects income in to the legal services trading account towards the end of the year due to peak work.
Third Sector, Strategy & Communications	674	(10)	
Finance & Audit	866	(78)	
Procurement & IT Strategy	(85)	(90)	
Executive Services	(663)	(47)	
Human Resources	1,218	(380)	Posts continued to be held vacant pending a restructure. In addition to this, a one-off credit of £203k was received in respect of the i-Trent (HR IT system) hosting contract.
Other	(450)	450	£450k of the FCS underspend has been earmarked for Customer Service improvements
Total	21,356	(439)	

Housing & Regeneration - General Fund

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
	£000s	£000s	
Housing Options, Skills & Economic Development	7,955	(1,125)	<p>This relates mainly to a reduction in the net costs of Bed and Breakfast (B&B) accommodation of (£820k) due to a reduction in average client numbers. Additionally, the net costs of Private Sector Leasing (PSL) accommodation are reduced by (£969k) due to a fall in the average number of units as well as a reduction in the increase to the bad debt provision due to an improvement in the collection rate.</p> <p>£240k of the temporary accommodation underspend was utilised to fund the first five months of a package of incentive payments to landlords associated with the Council's temporary accommodation portfolio (originally budgeted to come from corporate contingencies). The incentive payments for the remaining seven months (£190k) were funded from internal departmental reserves.</p> <p>Additionally, there are other minor variances of (£55k) across the division.</p> <p>The overall underspend has been offset by a carry forward of £350k for HB Assist Plus and £129k for incentive payments to private sector landlords.</p>
Housing Strategy & Regeneration	324	186	This relates to expenditure on the Earls Court regeneration project which was ineligible for capitalisation or as costs of disposal.
Housing Services	40	(14)	
Finance & Resources	84	5	
Total	8,403	(948)	

Libraries (Shared Service)

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
	£000s	£000s	
Shared Service - Libraries & Archives	3,628	(26)	No material variances
Total	3,628	(26)	

Public Health Service

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15 £000s	Year End Variance £000s	Explanation of Major Variances (over £100k)
Sexual Health	6,978	276	There is an overspend in “open access” Genitourinary Medicine activity of £447K mainly due to a new service model rolled out by Chelsea & Westminster Healthcare NHS Trust which has seen an unprecedented growth in GUM activity. There is an underspend of £229K in Chlamydia Screening. Minor overspends of £58K in other Sexual Health contracts.
Substance Misuse	5,464	(163)	Underspend in Community based services of £267K, partly offset by overspends in detox placements (£97K).
Behaviour Change	2,110	(325)	Lower than budgeted activity for health checks (£121K) and Smoking Cessation (£152K), with minor underspends in other Behaviour Change contracts totalling £52K.
Intelligence and Social Determinants	40	(22)	Underspend in health promotion costs.
Families and Children Services	2,608	(220)	Savings of £177K are due to the delayed start to retendering the obesity contracts, together with net savings of £43K on other minor projects.
Public Health Investment Fund	-	1,079	Planned Public Health investment in departments who are contributing to public health outcomes.
Substance Misuse – Grant, Salaries and Overheads	(5,470)	0	
Public Health – Grant, Salaries and Overheads	(11,383)	(972)	This represents the net movement of the above identified variances and the planned underspend from the General Fund
Total	347	(347)	

TRANSPORT & TECHNICAL SERVICES DEPARTMENT

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
	£000s	£000s	
Building & Property Management (BPM)	(577)	(472)	<p>The overall underspend of (£472k) in BPM resulted from the following main factors:</p> <ul style="list-style-type: none"> • Favourable variance in Advertising income (£147k) • Building control income (£82k) • Civic accommodation (£214k), mainly from underspend in utilities and additional rent income • Underspend in supplies and services and staffing costs of (£88k) in Technical Support team and other underspend of (£9k). <p>This is mainly offset by an unfavourable variance in Asset and Valuation Section of £68k due to unrecoverable expenditure incurred on properties no longer being sold.</p>
Transport & Highways	12,816	265	The unfavourable variance mainly arises from a reduction in income from professional fees charged to other budgets. A further £150k was transferred to WIFI Concession reserve to cover shortfalls in future income.
Planning	2,731	(74)	The favourable position was mainly due to higher than expected levels of income recovered from Planning Regeneration projects and favourable income from pre-application fees in the Development Management section. There have been high levels of routine planning applications as the wider economy recovers and where applicants seek to beat the Community Infrastructure Levy deadline.
Environmental Health	3,758	(82)	The year-end position in Environmental Health division was due to favourable variance mainly from Pest Control and Private Sector Housing income.

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
Support Services	(456)	305	This reflects the MTFS People Portfolio savings target. This budget pressure has been addressed in the 15/16 TTS Budget estimates proposals.
Total	18,272	(58)	

CONTROLLED PARKING ACCOUNTS (CPA)

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15 £000s	Year End Variance £000s	Explanation of Major Variances (over £100k)
Pay & Display	(12,613)	608	A reduction in receipts from Pay and Display. A number of other councils are also seeing a reduction in their receipts.
Permits	(4,690)	99	
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(6,814)	25	
Bus Lane PCN	(915)	(26)	
Parking CCTV PCNs	(616)	(705)	PCNs issued using CCTV have been at a similar level as in 2013-14. A change in legislation means that CCTV can no longer be used to enforce parking in most areas from April 2015.
Moving Traffic PCN's	(5,814)	(573)	A similar number of PCNs were issued as in 2013-14, but with an improved recovery rate.
Parking Bay Suspensions	(1,530)	(2,321)	Parking bay suspensions receipts have continued at a higher than budgeted level, following the change in pricing structure in 2013-14 and an increase in the volume of suspensions requested, including an increase in longer term suspensions.
Towaways / Removals	(352)	55	

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
Expenditure and Other Receipts	12,919	(268)	<p>Key items of variance include:</p> <ul style="list-style-type: none"> - Unused budget for a CCTV vehicle (-£100k) - Overspends in postage and delivery, IT system costs and other running costs (£40k) - Underspend in the cash collection and Towaway contracts (-£270k) - Underspend in debt registration costs (-£40k) - Underspend in on street enforcement running costs (-£98k) - Other variances totalling £37k adverse. <p>In addition £163k of budget has been carried forward into 2015-16 to cover costs of implementing new parking controls and the implementation costs of a new Parking IT system.</p>
Total	(20,425)	(3,106)	

APPENDIX 2

DEPARTMENTAL ANALYSIS –HRA 2014/15 REVENUE OUTTURN

HOUSING REVENUE ACCOUNT

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
	£000s	£000s	
Housing Income	(75,804)	(306)	This relates mainly to income from garage rents (£186k), commercial properties (£204k), and other minor variances (£89k) offset by shortfalls on dwelling rents and service charges of £173k arising from higher than anticipated void rates.
Finance and Resources	10,970	(345)	This underspend relates mainly to the release of provisions for in-year risks not crystallised (£160k), underspends on redundancy (£84k), council tax and business rates on void properties (£85k) and other minor variances of (£16k).
Housing Services	9,394	(722)	This relates to under-spends on staff (£192k) and other running cost including utilities (£106k), incentive payments to enable tenant moves to appropriately sized homes (£240k), and other minor variances (£184k).
Commissioning and Quality Assurance	3,834	(251)	This is due to under-spends on the costs of the new Resident Involvement structure (£78k), transfer and decant payments (£107k) and other minor variances (£66k).
Property Services	2,102	(405)	Underspends relating to staffing costs (£179k) and higher capitalisation of salaries (£391k) are offset by overspends on legal costs of £159k and other minor variances of £6k.
Housing Repairs	13,760	28	

Departmental Division	Revised Budget 2014-15	Year End Variance	Explanation of Major Variances (over £100k)
	£000s	£000s	
Housing Options	515	(268)	This mainly relates to underspends on Temporary on Licence (TOLS) accommodation (£130k) arising mainly from lower than expected furniture costs, and on Hostel temporary accommodation (£138k) mainly as a result of a reduction in the increase to the bad debt provision due to an improvement in the collection rate.
HRA Central Costs	0	0	
Adult Social Care	48	0	
Regeneration	420	(1)	
Safer Neighbourhoods	590	1	
Housing Capital	31,141	(374)	This relates mainly to additional interest receivable on HRA balances following a review of the average interest rate on short term investments and the forecast balances expected within the HRA general reserve, major repairs reserve and Decent Neighbourhoods Fund.
(Contribution to)/ Appropriation From HRA General Reserve	3,030	(2,643)	

APPENDIX 3: MOVEMENT IN EARMARKED RESERVES

Dept	Reserve Description	Balance at 31/3/14	Movement	Balance at 31/3/15
		£000s	£000s	£000s
Adult Social Care	Home Care IT Cost	(41)	0	(41)
	No Recourse to Public Funds	(50)	20	(30)
	PFI Reserve	(133)	0	(133)
	Portfolio Management Res. Plan	(457)	122	(335)
	Pressures & Demands	(3,097)	(1,304)	(4,401)
	Preventative & Early Intervention	(214)	0	(214)
	S117 Reserve	(57)	0	(57)
	Social Care Reform	(140)	64	(76)
Supporting People Programme	(1,989)	0	(1,989)	
ASC Total		(6,178)	(1,098)	(7,276)
Childrens Services	CHS Adoption Reform Reserve	(226)	86	(140)
	CHS Education Excellence	(100)	100	0
	CHS Pressures and Demands	(755)	25	(730)
	CHS Shared Services Integration	(363)	257	(106)
	CHS Troubled Families Reserve	(709)	298	(411)
	Focus on Practice	(350)	0	(350)
CHS Total		(2,503)	766	(1,737)
Centrally Managed Budgets	Third Sector Investment Fund Reserve	0	(542)	(542)
	Bishops Park Reserve	(358)	41	(317)
	Capital Reserve (Earmarked)	(1,534)	55	(1,479)
	King Street Reserve	(668)	73	(595)
	Business Board Reserve	(1,358)	535	(823)
	Computer & IT Funds	(1,752)	752	(1,000)
	Contribution to Local Election	(325)	191	(134)
	Corporate Demand Pressures Reserve	(3,516)	(5,600)	(9,116)
	Corporate Redundancy	(3,028)	(719)	(3,747)
	Council Tax Discount Admin	(135)	(135)	(270)
	Customer Services Reserve	0	(450)	(450)
	Debtors Review Reserve	(619)	0	(619)
	Dilapidations/Office Moves Res	(3,726)	(585)	(4,311)
	Efficiency Projects Reserve	(10,396)	(2,884)	(13,280)
	Electronic Data Mgt System	(100)	0	(100)
	FCS Pressures & Demands Reserve	0	(75)	(75)
	Hammersmith & Fulham Direct Reserve	0	(600)	(600)
Housing Benefit Reserve	(2,415)	167	(2,248)	

Dept	Reserve Description	Balance at 31/3/14	Movement	Balance at 31/3/15
		£000s	£000s	£000s
	Human Resources Reserve	(1,000)	0	(1,000)
	Individual Electoral Registration Reserve	0	(100)	(100)
	Imperial Wharf Reserve	(800)	0	(800)
	Insurance Fund	(4,819)	(1,022)	(5,841)
	IT Infrastructure	(2,813)	(2,590)	(5,403)
	LPFA Sub Fund	(1,000)	0	(1,000)
	Managed Services	(4,750)	3,874	(876)
	MTFS Delivery Risk	(7,000)	852	(6,148)
	NDR Deficit Support	(6,021)	2,777	(3,244)
	Stock Option Appraisal Reserve (GF)	0	(1,200)	(1,200)
	Unallocated Contingency Reserve	0	(476)	(476)
	Vat Reserve	(2,500)	0	(2,500)
	White City Neighbourhood	(183)	48	(135)
CMB Total		(60,816)	(7,613)	(68,429)
Environment Leisure and Residents Services	Avonmore Community Centre	(45)	0	(45)
	Barclays Sports Grant	(29)	0	(29)
	Community Safety Reserve	(382)	22	(360)
	ELRS IT Reserve	(20)	0	(20)
	ELRS MTFS Risk Reserve	0	(150)	(150)
	Fulham Palace Reserve	(459)	(109)	(568)
	LAA waste grant	(137)	(11)	(148)
	Linford Christie Fund	(10)	4	(6)
	Marketing Reserve	(165)	(161)	(326)
	Parks Reserve	(30)	0	(30)
	Sports Grant	(4)	0	(4)
	Transport Reserve	(100)	0	(100)
ELRS Total		(1,381)	(405)	(1,786)
Housing Revenue Account	Community Pot Reserve	0	(19)	(19)
	Deed Pack Review Reserve	0	(300)	(300)
	HRA Commercial Property leases	(200)	106	(94)
	HRA Efficiency Reserve	(1,020)	(391)	(1,411)
	HRA IT Recharges Reserve	(205)	(142)	(347)
	HRA Legal Costs	(200)	0	(200)
	HRA Non-dwellings Impairment	(6,346)	(289)	(6,635)
	HRA Strat Regen and Housing Development	(1,746)	0	(1,746)
	HRA Utilities	(761)	(500)	(1,261)
	Improved Voids Specification	(500)	0	(500)
	Parking Charges Review Reserve	0	(606)	(606)


Dept	Reserve Description	Balance at 31/3/14	Movement	Balance at 31/3/15
		£000s	£000s	£000s
	Sheltered Housing	0	(871)	(871)
	Stock Options Appraisal (HRA)	0	(300)	(300)
	Welfare Reform Reserve	0	(500)	(500)
HRA Total		(10,978)	(3,812)	(14,790)
Housing and Regeneration Department (General Fund)	ALSS SFA 2011/12 Allocation	(187)	102	(85)
	DCLG - Portas & Town Team Part	(9)	6	(3)
	HB Assist Plus	(160)	(230)	(390)
	Homelessness Grant	(99)	99	0
	Housing Options Re-org Implementation	(52)	17	(35)
	Incentive payment DL	(400)	61	(339)
	No Recourse to Public Funds	(50)	50	0
	Overcrowding Grant	(9)	9	0
	Probation Service Grant	(16)	0	(16)
	Review of Housing Register	(54)	0	(54)
	Sullivan Service Charges	(26)	0	(26)
	Temp Accom Health & Safety Imp	(25)	0	(25)
	Temporary Accommodation	(3,506)	0	(3,506)
	Tenants Incentive Scheme	(27)	27	0
	Training Support	(9)	0	(9)
UC Project Mgt & Rollout	(125)	35	(90)	
HRD(GF) Total		(4,754)	176	(4,578)
Libraries Shared Services	Libraries Reserve	(38)	0	(38)
LIB Total		(38)	0	(38)
Transport and Technical Services Department	Asbestos Management Reserve	(100)	50	(50)
	Computer & IT Funds	(414)	0	(414)
	Controlled Parking Fund	(695)	(18)	(713)
	Depot Improvements Reserve	(175)	175	0
	Earls Court Reserve	(44)	0	(44)
	Fulham Palace Reserve	(204)	0	(204)
	High Speed Two (HS2) Reserve	0	(78)	(78)
	Legal Fees Reserve	(340)	320	(20)
	Local Lead Flood Authority	(603)	(70)	(673)
	Planning Inquiries Reserve	(358)	(130)	(488)
	Property Disposals Reserve	(100)	0	(100)
	S106 - Revenue Schemes	(1,339)	(58)	(1,397)
	TFL Street Management	(129)	0	(129)
TFM Reserve	(929)	(184)	(1,113)	
Thames Tideway Tunnel	(81)	49	(32)	

Dept	Reserve Description	Balance at 31/3/14	Movement	Balance at 31/3/15
		£000s	£000s	£000s
	Thames Water Management Contra	(92)	92	0
	TTS Property Moves	(31)	31	0
	TTS Savings Proposals Fund	(50)	0	(50)
	TTS Staff Development Sessions	(20)	0	(20)
	Wi Fi Concession	(200)	50	(150)
	Works Contracts Reserve	(35)	35	0
TTS Total		(5,939)	264	(5,675)
Grand Total		(92,587)	(11,722)	(104,309)

APPENDIX 4: PROVISIONS

Provision Description	£000's
The insurance provision was reduced by £851k to bring it into line with forecast liabilities.	2,496
Non Domestic Rates losses on Appeals – This provision has been established to cover the councils exposure to outstanding rating appeals resulting from the introduction of the new Business Rates retention scheme.	17,479
Provision to cover reimbursements of Property Search fees in relation to Land Charges appeals cases	86
Provision to cover various Housing Revenue Account tenant liabilities	654
Provision to cover potential Specific Childcare funding shortfalls	175
Provision to cover legal fees and reimbursement in relation to disrepair cases	238
Total	21,128

Agenda Item 6

 hammersmith & fulham	London Borough of Hammersmith & Fulham CABINET 7 SEPTEMBER 2015
CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2014/15 (OUTTURN)	
Report of the Cabinet Member for Finance : Councillor Max Schmid	
Open Report	
Classification - For Decision	
Key Decision: Yes	
Wards Affected: All	
Accountable Director: Hitesh Jolapara – Strategic Director for Financial Corporate Services	
Report Author: Christopher Harris, Head of Corporate Accountancy and Capita	Contact Details: Tel: 0208 753 6440 Email: christopher.harris@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report provides a summary of the Council's Capital Programme out-turn for the financial year 2014-15. Total capital expenditure for the year was £101.5m and headline General Fund debt has reduced to £45.2m.
- 1.2. This report also seeks approval for fourth-quarter 2014-15 budget variations. A net decrease of £28.9m (£26.7m General Fund, £2.2m Housing) to the 2014/15 capital budget (as approved at the end of the third-quarter) is proposed, largely due to slippages and the setting aside of resource to future years.

2. RECOMMENDATIONS

- 2.1. That the capital out-turn for the year be noted.
- 2.2. That the reduction in Headline General Fund Capital Finance Requirement (CFR) debt by £29m to £45.2m be noted.
- 2.3. That the proposed technical budget variations to the capital programme as summarised in Table 1 and detailed in Appendix 2 be approved.

3. REASONS FOR DECISION

3.1. This report seeks revisions to the Capital Programme which require the approval of Cabinet in accordance with the Council's financial regulations.

4. CAPITAL PROGRAMME 2014-15 – OUTTURN AND Q4 VARIATIONS

4.1. Capital expenditure for 2014-15 totalled £101.5m. An analysis of spend by service is shown in table 1 below with further detail available in Appendix 1. Table 1 also shows the proposed fourth-quarter budget variations. A full analysis of elements of the programme funded from internal Council resource is included in section 6.

Table 1 – LBHF Capital Programme 2014-19 with proposed 2014/15 Q4 Variations

	Proposed Variations: Q3 Budget to Q4					Outturn 2014/15 £'000	Next Year Programme			Indicative Future Years Analysis			
	Budget 2014/15 (Q3) £'000	Slippages from/(to) future years £'000	Addition/(Reduction) £'000	Transfers £'000	Total Variations (Q4) £'000		2015/16 Original Budget £'000	Slippages Additions and Reductions £'000	2015/16 Revised Budget £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	Total Budget (All years) £'000
CAPITAL EXPENDITURE													
Children's Services	43,330	(30,349)	15,626	-	(14,723)	28,607	21,897	30,349	52,246	197	-	-	81,050
Adult Social Care	2,074	(954)	2	-	(952)	1,122	1,948	954	2,902	450	450	450	5,374
Transport & Technical Services	17,254	(8,195)	233	-	(7,962)	9,292	7,183	8,195	15,378	9,101	7,231	7,231	48,233
Finance & Corporate Services	1,186	(436)	(750)	-	(1,186)	-	-	436	436	-	-	-	436
Environment, Leisure & Residents Services	2,474	(1,353)	-	-	(1,353)	1,121	711	1,353	2,064	500	500	500	4,685
Libraries	1,585	(374)	(175)	-	(549)	1,036	-	374	374	-	-	-	1,410
Sub-total (Non-Housing)	67,903	(41,661)	14,936	-	(26,725)	41,178	31,739	41,661	73,400	10,248	8,181	8,181	141,188
HRA Programme	43,172	6,631	-	-	6,631	49,803	57,548	(2,182)	55,366	42,354	42,052	36,950	226,525
Decent Neighbourhoods Programme	19,354	(9,383)	525	-	(8,858)	10,496	36,613	(394)	36,219	31,638	19,032	19,020	116,405
Sub-total (Housing)	62,526	(2,752)	525	-	(2,227)	60,299	94,161	(2,576)	91,585	73,992	61,084	55,970	342,931
Total Expenditure	130,429	(44,413)	15,461	-	(28,952)	101,477	125,900	39,085	164,985	84,240	69,265	64,151	484,119
CAPITAL FINANCING													
Specific/External Financing:													
Government/Public Body Grants	37,074	(28,008)	15,052	-	(12,956)	24,118	25,602	27,441	53,043	2,354	2,157	2,157	83,829
Developers Contributions (S106)	5,991	(3,762)	510	-	(3,252)	2,739	239	3,762	4,001	-	-	-	6,740
Leaseholder Contributions	6,569	(841)	-	-	(841)	5,728	5,693	841	6,534	5,525	5,011	5,000	27,798
Other Specific Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Specific Financing	49,634	(32,611)	15,562	-	(17,049)	32,585	31,534	32,044	63,578	7,879	7,168	7,157	118,367
Mainstream Financing (Internal):													
Capital Receipts - General Fund	20,186	(9,563)	(750)	3,950	(6,363)	13,823	5,753	9,563	15,316	7,350	5,480	5,480	47,449
Capital Receipts - Housing*	32,519	(1,976)	660	-	(1,316)	31,203	66,617	(650)	65,967	18,011	24,237	11,065	150,483
Revenue funding - General Fund	692	(255)	(11)	-	(266)	426	544	255	799	544	544	544	2,857
Revenue Funding - HRA	113	-	-	-	-	113	2,300	-	2,300	5,500	11,574	5,514	25,001
Major Repairs Reserve (MRR) [Housing]	23,190	65	-	-	65	23,255	16,849	(65)	16,784	17,355	17,818	18,323	93,535
Earmarked Reserves (Revenue)	313	(241)	-	-	(241)	72	-	241	241	-	-	-	313
Sub-total - Mainstream Funding	77,013	(11,970)	(101)	3,950	(8,121)	68,892	92,063	9,344	101,407	48,760	59,653	40,926	319,638
Internal Borrowing	-	-	-	-	-	-	2,135	(2,135)	-	27,601	2,444	16,068	46,113
Funding to be identified	3,782	168	-	(3,950)	(3,782)	-	168	(168)	-	-	-	-	-
Total Capital Financing	130,429	(44,413)	15,461	-	(28,952)	101,477	125,900	39,085	164,985	84,240	69,265	64,151	484,118

*Capital Receipts include use of brought forward Housing receipts

Nb. Total capital spend as reported in Statement of Accounts is £98m. The above presentation also includes housing debt reduction of £2.5m and Housing deferred costs of disposals of £1.1m hence total £101.5m

4.2. A net variation to the 2014/15 programme of **(£28.9m)** is proposed, decreasing total budgeted expenditure from £130.4m to £101.5m. Of the proposed net variation, £44.4m relates to slippages between financial years. The remaining £15.5m variation relates primarily to growth in the programme where external funding sources have now been confirmed or associated forecast funding has increased. A detailed analysis of proposed variations for approval is included at Appendix 2.

- 4.3. A net variation to the 2015/16 programme of **£39.1m** is proposed. This comprises the £44.4m of slippages from 14/15 and net re-phasing and remodelling (slippages to and from future years) in the Housing programme of £(5.3)m.
- 4.4. The Council is currently exploring a major project to strengthen Hammersmith Bridge in partnership with Transport for London. The Council is also exploring options to renew the windows in a large number of schools within the borough. These projects will be reflected in the Capital Programme once the schemes and funding have been finalised.
- 4.5. The capital programme presented here for 2014/15 and 2015/16 is based on approved projects and known funding allocations. The 2015/16 budget will be further updated in the first quarter monitor for 2015/16. The indicative future years analysis (2016+) will be updated as pipeline schemes are 'firmed-up'; these future years remain subject to approval in future capital programmes. Departments such as Children's Services, whose capital programme has traditionally depended on external specific grants, will be updated as and when future grants are confirmed.
- 4.6. The 2014/15 accounts, which underpin figures in this report, remain subject to audit. The audit is anticipated to be finalised in mid-September 2015.

5. CAPITAL FINANCE REQUIREMENT (CAPITAL DEBT)

- 5.1. The Capital Finance Requirement (CFR) measures the Council's long-term indebtedness. For the General Fund CFR, the Council is required to set-aside an annual provision from revenue, known as the Minimum Revenue Provision (MRP), which is designed to set aside resource to repay debt. There is no requirement to make MRP in respect of Housing debt.
- 5.2. General Fund Headline¹ CFR debt has reduced by **£29m** in year. This compares with an original forecast reduction of £10.8m (per the original capital programme). This improvement is primarily due to the receipt of a number of major capital receipts earlier than anticipated. The CFR was **£45.2m** at the end of 2014-15. Table 2 below represents the potential CFR position based on the continued application of surplus receipts.

Table 2 – General Fund CFR at Q4 2014-15 (including future years forecast)

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
Opening Capital Finance Requirement (CFR)	74.20	45.18	43.18	43.18	43.18
Revenue Repayment of Debt (MRP)	(1.19)	(0.08)	-	-	-
Voluntary debt reduction (surplus capital receipts, etc.)	(27.83)	(8.02)	(1.54)	1.64	1.64
Excess' Surplus Reserved/(Utilised)	-	6.10	1.54	(1.64)	(1.64)
Closing Capital Finance Requirement (CFR)	45.18	43.18	43.18	43.18	43.18
Excess' Surplus b/f	-	-	6.10	7.64	6.00
Excess' Surplus c/f	-	6.10	7.64	6.00	4.36

- 5.3. The Council is not required to make MRP provisions on historic debt once the CFR reaches £43.2m due to a floor in the MRP formula (known as 'Adjustment A'). The

¹ Excludes items such as finance leases and PFIs, the MRP cost of which is funded through revenue budgets.

Council is currently exploring investment alternatives to General Fund CFR debt reduction.

6. GENERAL FUND – MAINSTREAM PROGRAMME AND CAPITAL RECEIPTS

6.1. The General Fund mainstream programme cuts across the departmental programmes and represents schemes which are funded from internal Council resource – primarily capital receipts. It is effectively the area of the programme where the Council has the greatest discretion. The mainstream programme is summarised in Table 4.

Table 4 – General Fund Mainstream Programme 2014-19 with proposed 2014/15 Q4 Variations

	Budget 2014/15 (Q3)	Variations (Q4)	Outturn 2014/15	2015/16 Original Budget	Slippages from 2014/15	2015/16 Revised Budget	Indicative Budget 2016/17	Indicative Budget 2017/18	Indicative Budget 2018/19	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Approved Expenditure										
Ad Hoc Schemes:										
Schools Organisation Strategy [CHS] (mainstream element)*	8,977	(3,400)	5,577	273	3,400	3,673	-	-	-	9,250
Set-aside for Lyric redevelopment [CHS]	3,782	168	3,950	168	(168)	-	-	-	-	3,950
Carnwath Road Receipt Set-aside [TTS]	1,200	(1,200)	-	-	1,200	1,200	1,870	-	-	3,070
Grants To Social Landlords (Hostel Improvement) [ASC]	60	(60)	-	-	-	-	-	-	-	-
Fulham Cemetery (Porta Cabins)	85	(85)	-	-	85	85	-	-	-	85
Rolling Programmes:										
Disabled Facilities Grant [ASC]	450	(150)	300	450	150	600	450	450	450	2,250
Planned Maintenance/DDA Programme [TTS]	6,214	(4,733)	1,481	2,500	4,733	7,233	2,500	2,500	2,500	16,214
Footways and Carriageways [TTS]	2,030	(21)	2,009	2,030	21	2,051	2,030	2,030	2,030	10,150
Controlled Parking Zones [TTS]	154	(82)	72	275	82	357	275	275	275	1,254
Column Replacement [TTS]	288	2	290	269	(2)	267	269	269	269	1,364
Contribution to Invest to Save Fund [FCS]	750	(750)	-	-	-	-	-	-	-	-
Parks Programme [ELRS]	670	(204)	466	500	204	704	500	500	500	2,670
Total Mainstream Programmes	24,660	(10,515)	14,145	6,465	9,705	16,170	7,894	6,024	6,024	50,257
Available and Approved Resource										
Capital Receipts (total available)	40,279	(409)	39,870	21,252	2,136	23,388	8,894	3,840	3,840	79,832
General Fund Revenue Account	692	(266)	426	544	255	799	544	544	544	2,857
Available Mainstream Resource	40,971	(675)	40,296	21,796	2,391	24,187	9,438	4,384	4,384	82,689
In-year surplus/(deficit)	16,311		26,151	15,331	(7,314)	8,017	1,544	(1,640)	(1,640)	
Surplus/(deficit) brought-forward	-		-	-	-	-	8,017	9,561	7,921	
Surplus/(deficit) carried forward	16,311		26,151	15,331	(7,314)	8,017	9,561	7,921	6,281	

*Queensmill redevelopment using Earls Court receipt, £9m of which has been ring-fenced for this purpose

6.2. The mainstream programme delivered a surplus in 2014/15 of **£26.2m**. Over the next four years the programme is forecast to be in surplus by £6.3m. The surplus currently underpins the debt reduction forecast.

6.3. The 2014-15 mainstream programme has decreased by **£10.5m** in comparison to Q3 forecast budget of £24.7m. This is mainly due to slippages and re-profiling of the current capital schemes to future years.

6.4. General Fund Capital receipts for 2014-15 were **£39.9m**. A summary and forecast of general fund capital receipts is included at appendix 3.

6.5. As at the end of 2014-15, £1.2m of deferred disposal costs have been accrued in respect of anticipated General Fund disposals. These costs are netted against

the receipt when received (subject to certain restrictions). In the event that a sale does not proceed these costs must be written back to revenue. A summary of the deferred costs is included in Appendix 3.

7. OTHER PROGRAMMES

7.1. Housing Capital Programme

7.1.1 The expenditure and resource analysis for 2014-15 of the Housing Programme is summarised in Table 4 below:

Table 4 – Housing Capital Programme 2014-19 with proposed 2014/15 Q4 Variations

	Budget 2014/15 (Q3)	Total Variations Q4	Outturn 2014/15	2015/16 Original Budget	Slippages, Additions and Reductions	2015/16 Revised Budget	Indicative 2016/17 Budget	Indicative 2017/18 Budget	Indicative 2018/19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Approved Expenditure									
Decent Neighbourhood Schemes	19,354	(8,858)	10,496	36,613	(394)	36,219	31,638	19,032	19,020
HRA Schemes	43,172	6,631	49,803	57,548	(2,182)	55,366	42,354	42,052	36,950
Total Housing Programme - Approved Expenditure	62,526	(2,227)	60,299	94,161	(2,576)	91,585	73,992	61,084	55,970
Available and Approved Resource									
Capital Receipts realised in-year (net of allowance for def costs)	25,840	4,183	30,022	8,992	-	8,992	6,000	6,000	6,000
Sale of new build homes	1,603	(1,335)	268	6,392	1,335	7,727	18,063	10,542	-
Earls Court Receipts recognisable	-	-	-	-	-	-	-	-	5,065
Housing Revenue Account (revenue funding)	113	-	113	2,300	-	2,300	5,500	11,574	10,475
Major Repairs Reserve (MRR)	23,190	65	23,255	16,849	(65)	16,784	17,355	17,818	18,323
Contributions Developers (S106)	-	-	-	-	-	-	-	-	-
Contributions from leaseholders	6,569	(841)	5,728	5,693	841	6,534	5,525	5,011	5,000
Capital Grants and Contributions from GLA Bodies	135	(135)	-	567	-	567	-	-	-
Use of Reserves	-	-	-	-	-	-	-	12,750	-
Total Available Forecast Resource (In-year)	57,450	1,937	59,386	40,793	2,111	42,904	52,443	63,695	44,863
Internal Borrowing	-	-	-	2,135	(2,135)	-	27,034	2,444	16,068
Total Forecast Resource (In-year) [inc. Borrowing]	57,450	1,937	59,386	42,928	(24)	42,904	79,477	66,139	60,931
In-year surplus/(deficit)	(5,076)	4,164	(913)	(51,233)	2,552	(48,681)	5,485	5,055	4,961
Surplus/(deficit) brought-forward	70,678	370	71,048	65,602	4,533	70,135	21,454	26,939	31,994
Surplus/(deficit) carried forward*	65,602	4,534	70,135	14,369	7,085	21,454	26,939	31,994	36,955
<i>*Earmarked from above to cover Earls Court Cost of Disposal & 1-4-1 Replacement under RTB agreement</i>	9,503	-	13,972	14,369	5,937	20,306	26,938	31,994	36,954
Surplus/(Deficit) after earmarked resources	56,098	4,534	56,163	(0)	1,148	1,148	0	(0)	0

7.1.2 The Decent Neighbourhoods Fund contains the Council's Housing Capital Receipts which in accordance with the change in capital regulations, effective from 1 April 2013 must be used for Housing or Regeneration purposes and shows how the Council plans to reinvest those receipts in Housing and Regeneration.

7.1.4 The 2014/15 Decent Neighbourhoods Capital Programme remains fully funded through the use of reserved capital receipts. The strategy for future years is under review as part of the review of the Council's Housing Strategy and HRA Financial Strategy.

7.2. Schools Programme

7.2.1 The 2014/15 school programme budget has been adjusted by a net decrease of £12.5m, this is due mainly to slippages to 2015/16.

8. EQUALITY IMPLICATIONS

- 8.1. There are no direct equalities implications in relation to this report. This paper is concerned entirely with financial management issues and as such is not impacting directly on any protected group.
- 8.2. Implications verified/completed by: David Bennett, Head of Change Delivery (Acting) - 020 7361 1628.

9. LEGAL IMPLICATIONS

- 9.1. There are no direct legal implications in relation to this report.
- 9.2. Implications verified/completed by: David Walker, Principal Solicitor (Property) 020 7361 2211.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. This report is wholly of a finance nature.

11. RISK MANAGEMENT

- 11.1. Large scale capital projects can operate in environments which are complex, turbulent and continually evolving. Effective risk identification and control within such a dynamic environment is more than just populating a project risk register or appointing a project risk officer. Amplifying the known risks so that they are not hidden or ignored, demystifying the complex risks into their more manageable sum of parts and anticipating the slow emerging risks which have the ability to escalate rapidly are all necessary components of good capital programme risk management.
- 11.2. Major capital projects can significantly enhance value based on how well they are executed. Considering their high impact nature, the levels of oversight, governance, risk management and assurance need to be in place. For this the standards for the Council are set out in the financial regulations and scheme of delegation along with the key controls. A clearly defined enterprise wide risk management framework is now established across Shared Services which considers all relevant risk classes and provides a common definition and approach to risk management. This will ensure that a common language and understanding is secured. Capital projects form part of the strategic risks and monitoring of the programme is noted as a key mitigating action.
- 11.3. Implications completed by: Michael Sloniowski, Shared Services Risk Manager ext. 2587

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1. There are no direct procurement related implications in relation to this report.
- 12.2. Implications verified/completed by: Alan Parry, Procurement Consultant - 020 7361 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.	Capital Programme 2015-19 (Published Feb 2015)	Christopher Harris tel. 6440	Finance Dept., 2 nd Floor, Town Hall Extension

LIST OF APPENDICES:

Appendix 1 – Detailed Capital Budgets, Spend and Variation analysis by Service

Appendix 2 – Analysis of Budget Variations

Appendix 3 – Capital Receipts Forecast

Appendix 1 – Detailed Capital Budget, Spend and Variation Analysis by Service

Children's Services

	Current Year Programme						Next Year Programme			Indicative Future Years Analysis				
	Budget 2014/15 (Q3) £'000	Analysis of Movements (Q3 to Q4)					Outturn 2014/15 £'000	2015/16 Original Budget £'000	Slippages from 2014/15 £'000	2015/16 Revised Budget £'000	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000	Total Budget (All years) £'000
		Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000	£'000								
Scheme Expenditure Summary														
Lyric Theatre Development	10,545	(2,046)	-	-	(2,046)	8,499	380	2,046	2,426	-	-	-	10,925	
Devolved Capital to Schools	1,378	-	1,017	-	1,017	2,395	-	-	-	-	-	-	2,395	
Schools Organisational Strategy	30,625	(28,096)	14,609	-	(13,487)	17,138	21,517	28,096	49,613	197	-	-	66,948	
Other Capital Schemes	782	(207)	-	-	(207)	575	-	207	207	-	-	-	782	
Total Expenditure	43,330	(30,349)	15,626	-	(14,723)	28,607	21,897	30,349	52,246	197	-	-	81,050	
Capital Financing Summary														
Specific/External or Other Financing														
Capital Grants from Central Government	24,130	(24,014)	15,626	834	(7,554)	16,576	21,263	24,014	45,277	197	-	-	62,050	
Grants and Contributions from Private Developers (includes S106)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Grants/Contributions from Non-departmental public bodies	6,441	(3,103)	-	(834)	(3,937)	2,504	193	3,103	3,296	-	-	-	5,800	
Capital Grants and Contributions from GLA Bodies	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-total - Specific or Other Financing	30,571	(27,117)	15,626	-	(11,491)	19,080	21,456	27,117	48,573	197	-	-	67,850	
Mainstream Financing (Internal Council Resource)														
Capital Receipts	8,727	(3,170)	-	3,950	780	9,507	273	3,170	3,443	-	-	-	12,950	
Housing Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Major Repairs Reserve (MRR) / Major Repairs	-	-	-	-	-	-	-	-	-	-	-	-	-	
General Fund Revenue Account (revenue funding)	250	(230)	-	-	(230)	20	-	230	230	-	-	-	250	
Use of Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-total - Mainstream Funding	8,977	(3,400)	-	3,950	550	9,527	273	3,400	3,673	-	-	-	13,200	
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	
Funding to be identified/agreed	3,782	168	-	(3,950)	(3,782)	-	168	(168)	-	-	-	-	-	
Total Capital Financing	43,330	(30,349)	15,626	-	(14,723)	28,607	21,897	30,349	52,246	197	-	-	81,050	

Adult Social Care Services

	Current Year Programme					Next Year Programme			Indicative Future Years Analysis				
	Analysis of Movements (Q3 to Q4)					2015/16 Original Budget	Slippages from 2014/15	2015/16 Revised Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	Total Budget (All years)	
	Budget 2014/15 (Q3)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements								Outturn 2014/15
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Extra Care New Build project (Adults' Personal Social Services Grant)	-	-	-	-	-	-	-	957	-	-	-	957	
Grants To Social Landlords (Hostel Improvement)	60	-	-	-	-	-	-	-	-	-	-	60	
Adult Social Care IT	16	-	-	-	-	-	-	-	-	-	-	16	
Community Capacity Grant	731	(507)	-	-	(507)	-	507	507	-	-	-	731	
White City Collaborative Care project	254	(223)	-	-	(223)	-	223	223	-	-	-	254	
Autism Capital Grant	19	(4)	-	-	(4)	-	4	4	-	-	-	19	
Disabled Facilities Grant	994	(220)	2	-	(218)	-	220	1,211	450	450	450	3,337	
Total Expenditure	2,074	(954)	2	-	(952)	1,122	1,948	954	2,902	450	450	450	5,374
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government	1,310	(581)	2	-	(579)	731	1,498	581	2,079	-	-	-	2,810
Grants and Contributions from Private Developers (includes S106)	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions from GLA	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Specific or Other Financing	1,310	(581)	2	-	(579)	731	1,498	581	2,079	-	-	-	2,810
Mainstream Financing (Internal Council Resource)													
Capital Receipts	510	(150)	-	-	(150)	360	450	150	600	450	450	450	2,310
Housing Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-	-
Major Repairs Reserve (MRR) / Major Repairs	-	-	-	-	-	-	-	-	-	-	-	-	-
General Fund Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-	-
Use of Reserves	254	(223)	-	-	(223)	31	-	223	223	-	-	-	254
Sub-total - Mainstream Funding	764	(373)	-	-	(373)	391	450	373	823	450	450	450	2,564
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	2,074	(954)	2	-	(952)	1,122	1,948	954	2,902	450	450	450	5,374

Transport and Technical Services

	Current Year Programme						Next Year Programme			Indicative Future Years Analysis			
	Analysis of Movements (Q3 to Q4)						2015/16 Original Budget	Slippages from 2014/15	2015/16 Revised Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	Total Budget (All years)
	Budget 2014/15 (Q3)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Outturn 2014/15							
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Planned Maintenance/DDA Programme	6,214	(4,733)	-	-	(4,733)	1,481	2,500	4,733	7,233	2,500	2,500	2,500	16,214
Footways and Carriageways	2,030	(21)	-	-	(21)	2,009	2,030	21	2,051	2,030	2,030	2,030	10,150
Transport For London Schemes	4,775	(193)	(441)	-	(634)	4,141	2,081	193	2,274	2,157	2,157	2,157	12,886
Controlled Parking Zones	154	(25)	(55)	(2)	(82)	72	275	25	300	275	275	275	1,197
Column Replacement	288	-	-	2	2	290	269	-	269	269	269	269	1,366
Carnwath Road Receipt	1,200	(1,200)	-	-	(1,200)	-	-	1,200	1,200	1,870	-	-	3,070
Other Capital Schemes	2,593	(2,023)	729	-	(1,294)	1,299	28	2,023	2,051	-	-	-	3,350
Total Expenditure	17,254	(8,195)	233	-	(7,962)	9,292	7,183	8,195	15,378	9,101	7,231	7,231	48,233
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions from Private Developers (includes S106)	2,593	(2,023)	685	-	(1,338)	1,255	28	2,023	2,051	-	-	-	3,306
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions from GLA Bodies	4,775	(193)	(441)	-	634	4,141	2,081	193	2,274	2,157	2,157	2,157	12,886
Sub-total - Specific or Other Financing	7,368	(2,216)	244	-	(1,972)	5,396	2,109	2,216	4,325	2,157	2,157	2,157	16,192
Mainstream Financing (Internal Council Resource)													
Capital Receipts	9,444	(5,954)	-	-	(5,954)	3,490	4,530	5,954	10,484	6,400	4,530	4,530	29,434
Housing Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-	-
Major Repairs Reserve (MRR) / Major Repairs	-	-	-	-	-	-	-	-	-	-	-	-	-
General Fund Revenue Account (revenue funding)	442	(25)	(11)	-	(36)	406	544	25	569	544	544	544	2,607
Use of Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Mainstream Funding	9,886	(5,979)	(11)	-	(5,990)	3,896	5,074	5,979	11,053	6,944	5,074	5,074	32,041
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	17,254	(8,195)	233	-	(7,962)	9,292	7,183	8,195	15,378	9,101	7,231	7,231	48,233

Finance & Corporate Governance

	Current Year Programme					Next Year Programme			Indicative Future Years Analysis				
	Analysis of Movements (Q3 to Q4)					Outturn 2014/15	2015/16 Original Budget	Slippages from 2014/15	2015/16 Revised Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	Total Budget (All years)
	Budget 2014/15 (Q3)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements								
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Scheme Expenditure Summary													
Relocation of HAFAD to Edward Woods Community Centre and Related Refurbishment Requirements	436	(436)	-	-	(436)	-	436	436	-	-	-	436	
Contribution to Invest to Save Fund	750		(750)	-	(750)	-	-	-	-	-	-	-	
Total Expenditure	1,186	(436)	(750)	-	(1,186)	-	436	436	-	-	-	436	
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and Contributions from Private Developers (includes S106)	436	(436)	-	-	(436)	-	436	436	-	-	-	436	
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Grants and Contributions from GLA Bodies	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-total - Specific or Other Financing	436	(436)	-	-	(436)	-	436	436	-	-	-	436	
Mainstream Financing (Internal Council Resource)													
Capital Receipts	750		(750)	-	(750)	-	-	-	-	-	-	-	
Housing Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-	
Major Repairs Reserve (MRR) / Major Repairs	-	-	-	-	-	-	-	-	-	-	-	-	
General Fund Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-	
Use of Reserves	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-total - Mainstream Funding	750	-	(750)	-	(750)	-	-	-	-	-	-	-	
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	
Total Capital Financing	1,186	(436)	(750)	-	(1,186)	-	436	436	-	-	-	436	

Environment, Leisure and Residents Services

Current Year Programme						Next Year Programme			Indicative Future Years Analysis				
Budget 2014/15 (Q3)	Analysis of Movements (Q3 to Q4)					Outturn 2014/15	2015/16 Original Budget	Slippages from 2014/15	2015/16 Revised Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	Total Budget (All years)
	Slippages from/(to) future years	Additions/(Reductions)	Transfers	Total Transfers/Virements	£'000								
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Scheme Expenditure Summary													
Parks Expenditure	1,116	(253)	-	-	(253)	863	500	253	753	500	500	500	3,116
Bishops Park	97	(10)	-	-	(10)	87	-	10	10	-	-	-	97
Shepherds Bush Common Improvements	750	(688)	-	-	(688)	62	-	688	688	-	-	-	750
Recycling	-	-	-	-	-	-	19	-	19	-	-	-	19
CCTV	279	(174)	-	-	(174)	105	192	174	366	-	-	-	471
Fulham Cemetery (Porta Cabin Facility)	85	(85)	-	-	(85)	-	-	85	85	-	-	-	85
Linford Christie Stadium Refurbishment	147	(143)	-	-	(143)	4	-	143	143	-	-	-	147
Total Expenditure	2,474	(1,353)	-	-	(1,353)	1,121	711	1,353	2,064	500	500	500	4,685
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government	50	(50)	-	-	(50)	-	-	50	50	-	-	-	50
Grants and Contributions from Private Developers (includes S106)	1,377	(929)	-	-	(929)	448	211	929	1,140	-	-	-	1,588
Capital Grants/Contributions from Non-departmental public bodies	183	(17)	-	-	(17)	166	-	17	17	-	-	-	183
Capital Grants and Contributions from GLA Bodies	50	(50)	-	-	(50)	-	-	50	50	-	-	-	50
Sub-total - Specific or Other Financing	1,660	(1,046)	-	-	(1,046)	614	211	1,046	1,257	-	-	-	1,871
Mainstream Financing (Internal Council Resource)													
Capital Receipts	755	(289)	-	-	(289)	466	500	289	789	500	500	500	2,755
Housing Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-	-
Major Repairs Reserve (MRR) / Major Repairs	-	-	-	-	-	-	-	-	-	-	-	-	-
General Fund Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-	-
Use of Reserves	59	(18)	-	-	(18)	41	-	18	18	-	-	-	59
Sub-total - Mainstream Funding	814	(307)	-	-	(307)	507	500	307	807	500	500	500	2,814
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	2,474	(1,353)	-	-	(1,353)	1,121	711	1,353	2,064	500	500	500	4,685

Libraries Services

	Current Year Programme						Next Year Programme			Indicative Future Years Analysis			
	Analysis of Movements (Q3 to Q4)					Outturn 2014/15 £'000	2015/16 Original Budget £'000	Slippages from 2014/15 £'000	2015/16 Revised Budget £'000	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000	Total Budget (All years) £'000
	Budget 2014/15 (Q3) £'000	Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000								
Scheme Expenditure Summary													
Hammersmith Library Refurbishment Project	1,585	(374)	(175)	-	(549)	1,036	-	374	374	-	-	-	1,410
Total Expenditure	1,585	(374)	175	-	(549)	1,036	-	374	374	-	-	-	1,410
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions from Private Developers (includes S106)	1,585	(374)	(175)	-	(549)	1,036	-	374	374	-	-	-	1,410
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions from GLA Bodies	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Specific or Other Financing	1,585	(374)	175	-	(549)	1,036	-	374	374	-	-	-	1,410
Mainstream Financing (Internal Council Resource)													
Capital Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-	-
Major Repairs Reserve (MRR) / Major Repairs	-	-	-	-	-	-	-	-	-	-	-	-	-
General Fund Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-	-
Use of Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Mainstream Funding	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	1,585	(374)	(175)	-	(549)	1,036	-	374	374	-	-	-	1,410

Housing Capital Programme

	2014/15 Programme					Next Year Programme			Indicative Future Years Analysis				
	Analysis of Movements (Q3 to Q4)					2015/16 Original Budget	Slippages, Additions and Reductions	2015/16 Revised Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	Total Budget (All years)	
	Budget 2014/15 (Q3)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements								Outturn 2014/15
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Scheme Expenditure Summary													
HRA Schemes:													
Supply Initiatives (Major Voids)	4,900	287			287	5,187	2,621	713	3,334	1,500	1,500	2,000	13,521
Energy Schemes	2,291	3,010		(108)	2,902	5,193	3,411	(291)	3,120	2,925	2,812	2,312	16,362
Lift Schemes	4,798	(613)		(9)	(622)	4,176	6,704	(387)	6,317	6,813	5,800	2,000	25,106
Internal Modernisation	4,000	1,495			1,495	5,495	3,551	(495)	3,056	3,100	3,000	3,000	17,651
Major Refurbishments	7,743	1,467		2,064	3,531	11,274	9,695	1,006	10,701	12,228	22,100	20,798	77,101
Planned Maintenance Framework	9,358	2,106		(1,904)	202	9,560	25,758	(2,428)	23,330	8,994	-	-	41,884
Minor Programmes	9,619	(2,252)		(360)	(2,612)	7,007	8,995	2,266	11,261	7,244	7,290	7,290	40,092
Decent Homes Partnering	910			(303)	(303)	607	-	-	-	-	-	-	607
ASC/ELRS Managed	1,529	(225)			(225)	1,304	1,250	225	1,475	1,250	1,250	1,250	6,529
Rephasing & Reprogramming	(1,976)	1,356		620	1,976	-	(4,437)	(2,791)	(7,228)	(1,700)	(1,700)	(1,700)	(12,328)
Subtotal HRA	43,172	6,631	-	-	6,631	49,803	57,548	(2,182)	55,366	42,354	42,052	36,950	226,525
Decent Neighbourhood Schemes:													
HRA Debt Repayment	2,414			-	-	2,414	1,563	-	1,563	2,756	1,931	1,999	10,663
Earls Court Buy Back Costs	8,976	(5,878)		-	(5,878)	3,098	9,541	(3,899)	5,642	14,508	13,169	13,576	49,993
Earls Court Project Team Costs	1,368	(479)		-	(479)	889	3,115	479	3,594	5,436	3,559	3,445	16,923
Housing Development Project	3,981	(1,738)		-	(1,738)	2,243	18,744	1,738	20,482	10,238	373	-	33,336
Other DNP projects	2,615	(1,288)	525	-	(763)	1,852	3,650	1,288	4,938	(1,300)	-	-	5,490
Subtotal Decent Neighbourhoods	19,354	(9,383)	525	-	(8,858)	10,496	36,613	(394)	36,219	31,638	19,032	19,020	116,405
Total Expenditure	62,526	(2,752)	525	-	(2,227)	60,299	94,161	(2,576)	91,585	73,992	61,084	55,970	342,931
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government	-	-	-	-	-	-	-	-	-	-	-	-	0
Contributions from leaseholders	6,569	(841)	-	-	(841)	5,728	5,693	841	6,534	5,525	5,011	5,000	27,798
Capital Grants and Contributions from GLA Bodies	135		(135)	-	(135)	-	567	(567)	0	-	-	-	0
Sub-total - Specific or Other Financing	6,704	(841)	(135)	-	(976)	5,728	6,260	274	6,534	5,525	5,011	5,000	27,798
Mainstream Financing (Internal Council Resource)													
Capital Receipts	32,519	(1,976)	660	-	(1,316)	31,203	66,617	(650)	65,967	18,011	24,237	11,065	150,483
Housing Revenue Account (revenue funding)	113			-	-	113	2,300	-	2,300	5,500	11,574	5,514	25,001
Major Repairs Reserve (MRR) / Major Repairs	23,190	65		-	65	23,255	16,849	(65)	16,784	17,355	17,818	18,323	93,535
Sub-total - Mainstream Funding	55,822	(1,911)	660	-	(1,251)	54,571	85,766	(715)	85,051	40,866	53,629	34,902	269,019
Borrowing (Internal Borrowing)	-	-	-	-	-	-	2,135	(2,135)	0	27,601	2,444	16,068	46,113
Total Capital Financing	62,526	(2,752)	525	-	(2,227)	60,299	94,161	(2,576)	91,585	73,992	61,084	55,970	342,930

Appendix 2 – Analysis of Budget Variations

Variation by Service	Amount £'000
Children's Services (CHS)	
School's Devolved Capital – recognition of allocations as utilised by schools	1,017
School's Organisation Strategy – Slippage to 2015/16 in respect of the following projects: Slippage of Unallocated funds and Contingency £8,721k Ark Conway Free School £4,584k (due to newly recognised monies – see below) The Bridge Academy £10,020k Slippage on other external grant funded schemes £4,771k	(28,096)
Additional funding recognised in respect of Free School Grants and other specific Department for Education (DfE) grants	14,609
Other Capital Schemes – slippages in respect of Two Year Old Capital Grant (£22k), Universal Infant School Meals Grant (£112k) and Short Breaks Grant (£73k)	(207)
Lyric Theatre – Agreement of funding source (£3,950k) This expenditure was approved in September 2014 with funding previously noted as 'to be identified' . This variation formally transfers funding from 'to be identified' to 'mainstream resource' (which at present exclusively comprises capital receipts). Seeing that unidentified funding will naturally default to the mainstream programme at the year-end cut-off this has already been assumed in the mainstream programme in previous capital monitors and as such the overall impact of this change is neutral. The funding of the final phase of the Lyric project will continue to be reviewed in 2015-16.	nil (neutral transfer)
Lyric Theatre - Slippage While the project is substantially complete, the slippage represents retained amounts to be paid over in 2015/16 and amounts spent directly by Lyric which will be subsumed into overall project cost pending agreements of final account.	(2,046)
Total CHS variations	(14,723)
Adult Social Care (ASC)	
Community Capacity Grant - slippage mainly due to project delays	(507)
White City Collaborative Care (Parkview)-slippage due to delays in obtaining information from the Health Department (lead partner in the project)	(223)
Disabled Facilities Grant- slippage due to lead time required for assessment and approval of applications for works to be carried out	(218)
Autism grant – slippage due to late invoice paid in 2015/16	(4)
Total ASC variations	(952)
Transport and Technical Services (TTS)	
Slippage of TFL funded schemes due to early receipt of funding	(634)
Carnwath Road Receipt – set-aside for future years.	(1,200)
Footways and Carriageways-slippage due to delayed start of capital works	(21)
Controlled Parking Zones- variance consists of £25k slippage and £55k reduction in the budget	(80)
Planned Maintenance/DDA Programme-slippage due to delays in progressing a number of projects carried out by the Council's contractors. A portion of the slippage (£2.275m) represents amounts being set aside for Town Hall refurbishment.	(4,733)
Slippage on Other Capital Schemes	(1,294)
Total TTS variations	(7,962)


Variation by Service	Amount £'000
Finance and Corporate Services (FCS)	
Invest to Save Contribution – redirected to debt reduction	(750)
Relocation of HAFAD to Edward Woods Centre – project slippage pending potential review of project	(436)
Total FCS variations	(1,186)
Environment, Leisure and Resident's Services (ELRS)	
Parks Programme –slippages on a number of smaller parks capital schemes due to phasing of works	(253)
Bishops Park- project completed – small slippage to cover any retention fees/works	(10)
Shepherds Bush Common Improvements-slippage mainly due to old Ginglek Club works. Awaiting Legal and Cabinet decision on the most appropriate course of action.	(688)
Public CCTV-slippage due to budget phasing not being aligned with network expansion.	(174)
Fulham Cemetery Porta Cabin Facility –slippage due to delay in the project start as a result in changes in the project plans	(85)
Linford Christie Stadium Refurbishment-slippage due to delay in the project start	(143)
Total ELRS variations	(1,353)
Libraries Services	
Library Refurbishment – slippage of residual external works and retained sums (£374k) and reduction in respect of transfer to revenue (£175k).	(549)
Total Libraries variations	(549)
Housing Capital Programme	
HRA schemes- £2.3m of this increase relates to bonding of domestic boilers, heating sub-components and CO2 detectors. This spending was initially planned for in 2015-16, but was preponed to March 2015 for commercial considerations. £1.9m of the increase is related to Capitalised Repairs, mainly owing to a significant amount of works carried out under the MITIE Out of Scope contract being identified as capital nature spend and moved to capital codes. The remaining amount is attributable to acceleration in PPM works and planned boiler replacements.	6,631
Earls Court-slippage due to actual number of 2014/15 Earls Court buybacks being lower than forecasted in Q3	(6,357)
Housing Development Project- slippages due to delay in starting number of schemes -pending a further project review	(1,738)
Other DNP projects- net decrease of £0.76m is mainly due to an increase of £525k related to purchase of 51 Sterne Street and a slippage of £1.288m which is a result of delays in Watermeadow Court and Edith Summerskill final decants	(763)
Total Housing variations	(2,227)
Grand Total 2014-15 Variations	(28,952)
2015-16 Variations	
Net Slippages from 2014-15 (covered by above variations)	44,413
Housing – Net slippages of (£5,328k) to and from future years (2016+): HRA Programme £4,449k – Reprogramming and Rephasing – slippage forward from future years of various existing schemes. Decent Neighbourhoods Programme (£9,777) – slippages to future years, primarily associated with buyback of Earl's Court leaseholders	(5,328)
Grand Total 2015-16 Variations	(39,085)

Appendix 3 – General Fund – Forecast Capital Receipts

Year/Property	Forecast Outturn at Quarter 3	Movement/ Slippage	Outturn at P12	Deposit received as @ P12	Full sales proceeds @ P12*	Deferred Costs of Disposal reserved
	£'000	£'000	£'000	£'000	£'000	£'000
2014/15						
Total 2014/15	40,279	(409)	39,870	-	39,870	-
2015/16						
Total 2015/16	21,251	2,136	23,387	500	-	1,182
2016/17						
Total 2016/17	8,894	844	9,738	-	-	37
2017/18						
Total 2017/18	3,840	-	3,840	-	-	-
2018/19						
Total 2018/19	3,840	-	3,840	-	-	0
Total All Years	78,104	2,570	80,674	500	39,870	1,219

*Net of disposal costs

Agenda Item 7

 London Borough of Hammersmith & Fulham	
CABINET 7 SEPTEMBER 2015	
TREASURY REPORT 2014/15 OUTTURN	
Report of the Cabinet Member for Finance : Councillor Max Schmid	
Open report	
Classification: For Decision	
Key Decision: Yes	
Wards Affected: All	
Accountable Director: Hitesh Jolapara – Strategic Director for Financial Corporate Services	
Report Author: Halfield Jackman, Treasury Manager	Contact Details: Tel: 020 7641 4354 E-mail: Halfield.Jackman@westminster.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report presents the Council's Outturn Treasury Report for 2014/15 in accordance with the Council's treasury management practices. It is a regulatory requirement for this outturn report to be presented to the Committee by 30 September each year.
- 1.2. There are two aspects of Treasury performance – debt management and cash investments. Debt management relates to the Council's borrowing investment of surplus cash balances. This report covers:
 - the treasury position as at 31 March 2015 which includes the investment and the borrowing strategy and outturn for 2014/15;
 - the UK economy and interest rates; and
 - Compliance with treasury limits and prudential indicators.
- 1.3. The borrowing and cash investment for the relevant periods are set out in the table below.

£ million	31/3/2012	31/3/2013	31/3/2014	31/3/2015
Total borrowing	262.17	262.07	250.51	247.60

Total cash balances	109.30	206.17	320.20	359.78
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2. RECOMMENDATION

2.1 That the report be noted.

3. TREASURY POSITION AS AT 31 MARCH 2015

Investments

3.1. The table below provides a breakdown of the cash deposits, together with comparisons from the previous year.

(£m)	2012/13	2013/14	2014/15
Liquid Deposits	44.52	-	-
Money Market Funds	40.00	39.20	34.15
Notice Accounts	-	25.00	14.00
Custodian Held Assets	-	189.50	212.13
Term Deposits	121.65	66.50	99.50
Total	206.17	320.20	359.78

A breakdown of the Investment type is detailed below.

- The Council had £34.15 million invested in three money market funds run by Goldman Sachs, Blackrock and Prime Rate. The funds returned an average of 0.44 per cent (all rated AAA by at least two rating agencies) and allow for access on same or next day basis.
 - £14 million in Handelsbanken 35 Day Notice account paid 0.60% throughout the year.
 - The custodian based assets comprised of UK Government Treasury bills which offered better yields than the Debt Management Office (DMO). Commercial Paper issued by Network Rail Infrastructure (UK Government Guaranteed), Transport for London and European Investment Bank to introduce greater diversification.
 - Eleven fixed term deals with three banks, with durations of five months. The investments were deposited with Lloyds Bank, Barclays Bank and The Royal Bank of Scotland.
- 3.2. The weighted average interest rate of return on the investments over the year was 0.50 per cent, with a total interest received of £1.85 million (compared with a weighted average of 0.48 per cent and a total interest £1.31 million for 2013/14).
- 3.3. The primary objective was to place investments based on security and liquidity of the investments rather than to seek yield. Once security and liquidity criteria were satisfied, investments would then be placed taking yield into account.
- 3.4. Total investments increased by £40 million in 2014/15. This increase was largely attributable to a rise in overall usable reserves (£9.5m) and the surplus on the capital programme - primarily surplus capital receipts (£27.8m).
- 3.5. The current Investment Strategy permits investments with institutions in which the Government owns a holding in excess of 25%. In June 2015, the government

announced their intention to seek to sell their 80% stake in the Royal Bank of Scotland (RBS). As a result, with the exception of maintaining a working balance in a liquidity account with RBS, no further deposits will be made with that institution. As RBS are the authority's banker, it is necessary to retain a working balance in the account. Therefore it should be noted that in the event that the government withdraws their support for RBS, the Investment Strategy will be amended and put before Full Council for approval to continue to maintain this balance.

Borrowing

- 3.6. Total borrowings decreased by £2.91 million to £247.60 million due to maturing debt. The repayments were in line with the cash flow projection and paid by cash balances. No new borrowing was undertaken during the year.
- 3.7. As at 31 March 2015, the Council is had an under-borrowed position¹. This means that the capital borrowing need was not fully funded by existing external loan debt and the balance is funded by cash reserves (Internal borrowing).
- 3.8. General Fund debt - as measured by the Capital Financing Requirement (CFR) – reduced by £29 million in year to £45.2 million at year end. An explanation of the movement is shown in table below.

Movement in the GF Capital Financing Requirement (CFR)

	2014/15 £m
Opening Capital Financing Requirement (CFR)	74.2
Revenue Repayment of Debt (MRP)	(1.2)
Annual (Surplus) in Capital Programme	(27.8)
Closing CFR	45.2

The above calculation CFR excludes items such as finance leases and PFIs, the MRP cost of which is funded through revenue budgets.

- 3.9. HRA is responsible for servicing 82.9 per cent of the Council's external debt and the General Fund holds the remaining 17.1 per cent. The table below the details of the Council's external borrowing (as at 31 March 2015), split between the General Fund and HRA.

	General Fund £m	Average Interest rate	HRA £m	Average Interest rate	Total external borrowing £m	Combined Average Interest Rate
Total / average	42.3	5.38%	205.3	5.38%	247.6	5.38%

¹ The Capital Financing Requirement (CFR) represents the underlying cumulative need to borrow for the past, present and future (up to 2 years in advance) amounts of debt needed to fund capital expenditure (net of receipts). Debt can be met not only from external loans but also by the temporary use of internally generated cash from revenue balances i.e. internal borrowing.

4. THE ECONOMY AND INTEREST RATES

- 4.1 UK growth was robust in the first quarter of the year largely as a result of strong household spending, and confidence reached the highest levels seen since 2005 according to the Gesellschaft für Konsumforschung (GfK) consumer confidence survey taken in May.
- 4.2 GDP posted a 3% annual increase over 2014, and forward looking indicators such as the Purchasing Managers Index were all in positive territory for the year for both Manufacturing and Services. Unemployment continued its fall over the year, dropping from 6.6% in April to 5.5% in February 2015. A large contributor of this growth was consumer spending, which was supported by very strong Consumer Confidence Surveys; the GfK figure for March 15 continued to rise; showing the strongest for 13 years.
- 4.3 Oil had an interesting year, initially increasing on Q1 2014/15 as geopolitical risks in the Middle East caused worries over supply. However this was reversed over the following quarter as concerns over growth in China as well as a strengthening dollar exerted downward pressure. Over the rest of 2014 the decline steepened as North American attempts at fracking and extracting from Oil Sands reduced their overall demand from global markets. The decision taken by Saudi Arabia to maintain market share and allow the price to drop was a major contributor. Despite a small recovery in Q1 2015, Oil ended up at approximately half the value it started the year at.
- 4.4 This had a direct bearing on inflation, with CPI reaching a 12 year low in November 2014 of 1%. The decline continued, reaching zero in February and remaining at that level in March.
- 4.5 The market began the year with the expectation that interest rates would be unlikely to be raised until 2015 and, despite strongly positive messages from Governor Carney suggesting rises sooner than the market expects, and that the point at which interest rates begin to normalise was getting closer, the dipping of CPI proved more of a driving force behind the markets, and the consensus at the year-end was for the expectation of the first rate rise to occur in Q3 2016. Longer term rates fell over the course of 2014, and had a small bounce back in Q1 2015.

5. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

- 5.1. During the financial year to March 2015, the Council operated within the treasury limits as set out in the Treasury Management Strategy (TMS). The outturn for the Treasury Management Prudential Indicators is shown in Appendix A.

6. CONSULTATION

- 6.1. N/a – for information only.

7. EQUALITY IMPLICATIONS

- 7.1. N/a – for information only.

8. LEGAL IMPLICATIONS

- 8.1. N/a – for information only.

9. FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1. This report is wholly of a financial nature.

10. RISK MANAGEMENT

10.1. N/a – for information only.

11. PROCUREMENT AND IT STRATEGY IMPLICATIONS

11.1. N/a – for information only.

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

<u>No.</u>	<u>Description of Background Papers</u>	<u>Name/Ext of holder of file/copy</u>	<u>Department/ Location</u>
1.	Treasury Management Strategy (published)	Halfield Jackman Tri Borough Treasury Manager Tel 0207 641 4354	Tri Borough Treasury and Pensions 16 th Floor, Westminster City Hall

LIST OF APPENDICES:

Appendix A – Treasury Management Prudential indicators

Appendix A – LBHF – TREASURY MANAGEMENT PRUDENTIAL INDICATORS 2014-15

Authorised Limit and Operational Boundary 31st March 2015

Indicator	Approved Limit	Actual Debt	No. of days Limit Exceeded
Authorised Limit ²	£345m	£247.6m	None
Operational Boundary ³	£290m	£247.6m	None

Limits on Interest Rate Exposure

Interest Rate Exposure	Upper Limit	Lower Limit	Actual at 31 Mar 2015
Fixed Rate Debt	£345m	£0m	£247.6m
Variable Rate Debt	£69m	£0m	£0m


Maturity Structure of Borrowing

Maturity Structure of Borrowing	Upper Limit	Lower Limit	Actual at 31 Mar 2015
Under 1 year	15%	0%	6%
1 year to 2 years	15%	0%	3%
2 years to 5 years	60%	0%	9%
5 years to 10 years	75%	0%	13%
Over 10 years	100%	0%	69%

² The Authorised Limit is the maximum requirement for borrowing taking into account maturing debt, capital programme financing requirements and the ability to borrow in advance of need for up to two years ahead.

³ The Operational Boundary is the expected normal upper requirement for borrowing in the year.

Agenda Item 8

	London Borough of Hammersmith & Fulham CABINET 7 SEPTEMBER 2015
OFF-SITE RECORDS STORAGE SERVICE CONTRACT EXTENSION	
Report of the Cabinet Member for Finance : Councillor Max Schmid	
Open Report A separate report on the exempt Cabinet agenda provides exempt information in connection with the main report.	
Classification - For Decision Key Decision: Yes	
Wards Affected: "All"	
Accountable Executive Director: Nigel Pallace, Chief Executive	
Report Author: Ciara Shimidzu – Information Manager	Contact Details: Tel: 020 8753 3895 E-mail: ciara.shimidzu@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The Council proposes to extend the existing Off-site Records Storage Service (ORSS) contract for a further two years from the date it expires on 31 March 2016. The value of the contract varies according to the amount customers use it. The pricing schedule for the ORSS storage and movement of boxes remains unchanged since April 2011.

2. RECOMMENDATIONS

- 2.1. To approve extending the Off-site Records Storage Service (ORSS) contract for a one-year extension from 01 April 2016 to 31 March 2017.
- 2.2. To award the Director of Finance delegated powers to award a second one-year extension to 31 March 2018. The ORSS contract would then terminate on 31 March 2018.

- 2.3. The Council to start the re-procurement process on 1 June 2016 in order to finalise contract award and move the service to a new provider by the deadline of 31 March 2018.

3. REASONS FOR DECISION

- 3.1. The ORSS contract with Box-it has been in place since 1 April 2011. From that date, the Council oversaw a physical uplift to move the then 35,000 boxes from the previous supplier, Restore, based in Somerset, to the new supplier, Box-it, in Hampshire.
- 3.2. At the time of the uplift, 180 departmental sections used the ORSS.
- 3.3. In addition to the uplift, it was necessary to upload the indexes of these boxes into a central catalogue provided by Box-it. This task is unfinished and needs to be completed, or at least progressed more than it has to date.

4. INTRODUCTION AND BACKGROUND

- 4.1. The Council has an Offsite Records Storage Service (ORSS) for the storage of both hard-copy documents and artefacts. This service has been in existence since 1998.
- 4.2. The existing contract is for the storage of short and long term documents, and, to a lesser extent, items of a personal nature for children taken into care by the Council (e.g. heirlooms, letters and birthday cards/gifts from biological parents).
- 4.3. The current provider stores boxes in a secure environment in the Hampshire countryside. There is a tendency for companies offering this type of service to be based out of city environments, and in most instances in rural locations in unmarked buildings for reasons of security.
- 4.4. The Council has no internal facilities for the storage of paper documents and artefacts. Some of the archived material can be destroyed after a relatively short period of time, whilst other documents (e.g. adoption papers) must be stored in their original state for a minimum of 70 years. The retention periods for all the items are governed by the primary legislation for that service area (eg social care and planning legislation) and the Data Protection Act 1998, where relevant.
- 4.5. The initial contract was with Wansdyke who were subsequently taken over by Restore. When the contract came up for renewal in 2011, the current Framework agreement was established and tendered to Box-it. Box-it provides a central catalogue enabling the departmental sections to retain and access their information according to their statutory retention periods plus a “scan on demand” service.

- 4.6. The current service provider, Box-it, has provided a good service to date. Their performance is monitored quarterly and reviewed at the regular account meetings. The feedback from the users in the departmental sections is consistently positive.

5. PROPOSAL AND ISSUES

- 5.1. The Council has asked all departments to accelerate indexing to improve the quality of records management to ensure residents are well served and to meet Information Management objectives and decrease the risk of a fine from the ICO.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. The alternative options are to either complete a full procurement exercise or join the new Westminster City Council Print framework agreement which includes an off-site storage service. To choose either of these alternative options would incur a further delay to completing the critical task to remedy the poor quality indexes and upload them onto the central catalogue. Also, to divert resources away from fixing the core issue into managing a procurement exercise or move to another provider next year would worsen the problems faced by the departmental sections.

7. CONSULTATION

- 7.1. All Council departments have been consulted via the H&F Business Board.

8. EQUALITY IMPLICATIONS

- 8.1. There are no equality implications.

9. LEGAL IMPLICATIONS

- 9.1. The contract for the provisions of an offsite records storage services with Box IT Ltd was tendered for an initial term of 5 years, with the option to extend for two further periods of 1 year each. It is therefore permissible for the term of the Contract to be extended as proposed in this report.
- 9.2. Implications verified/completed by: Cath Tempest Senior Solicitor (Contracts)

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The extension of this contract will not lead to an increase in costs for the Council. It will enable the Council to complete outstanding indexing work that should help reduce costs in relation to future procurement for this contract.
- 10.2. It is expected that the costs of the procurement process starting in June 2016 will be met from existing budgets.
- 10.3. Implications completed by: (Gary Ironmonger, Corporate Finance Manager Tel x2109.

11. IMPLICATIONS FOR BUSINESS

- 11.1 There are no implications on businesses in the Borough.

12. RISK MANAGEMENT

- 12.1 Information management, digital continuity and market testing, achieving best value at lowest possible cost to the local taxpayer, are corporate risks, numbers 7 and 4 on the Shared Services risk register. Compliance with statutory duties, Freedom of Information, ability to recall data and Data Protection, ensuring a secure and resilient off-site storage facility are also key corporate risks, numbers 8 and 6 on the Shared Services risk register. Shared Corporate Services are responsible for the management of procurement risk and risks in this area are managed within the service. A risk register and framework for the management of risk exists in the service and are reviewed periodically. The recommendation ensures compliance with the local policy for Information Management, the Shared Services Information Management Strategy.
- 21.1 Implications completed by: Michael Sloniowski, Shared Services Risk Manager, telephone 020 8753 2587.

13. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 13.1 The current contract provides for contract extensions totalling 2 years, and as such there are no procurement related issues. The report recommends extending the contract on the basis that service delivery has improved since 2011 and that no additional charges or fees have been sought under the contract's provisions (e.g. annual uplift for inflation).


Implications verified/completed by: Alan Parry Procurement Consultant (TTS), 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		

LIST OF APPENDICES (contained on the exempt part of the agenda):

Appendix 1 - Strategy to improve and digitise departmental indexes

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">7 SEPTEMBER 2015</p>
<p align="center">PROCUREMENT OF ENERGY - FLEXIBLE 2016 – 2020 AND FTFP 2016 – 2018</p>	
<p align="center">Report of the Cabinet Member for Finance – Councillor Max Schmid</p>	
<p>OPEN REPORT</p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial Information.</p>	
<p>Classification – For Information Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Nigel Pallace, Chief Executive</p>	
<p>Report Author:</p> <p>LEAD: Sebastian Mazurczak – Professional Services, Transport & Technical Services</p> <p>Paul Danek – Housing Department</p>	<p>Contact Details:</p> <p>Tel: 020 753 1707 E-mail: Sebastian.k.mazurczak@lbhf.gov.uk</p> <p>Tel: 020 753 1926 Email: paul.danek@lbhf.gov.uk</p>

1.0 EXECUTIVE SUMMARY

- 1.1. This report details the energy contract currently held by the Council for periods 2012-2016 with LASER. It also details procurement proposals for 2016-2020 when they next become due for renewal.
- 1.2. An energy procurement frameworks review was carried out between 2011-2014 by the London Councils' public sector collaboration, London Energy project (LEP). LASER was evaluated as achieving good performance against the market benchmark meaning it still achieved a good "Value for Money" savings for both gas and electricity. Also their flexible, risk managed procurement was still proven to be effective in controlling commodity costs and continues to be the most appropriate price risk management strategy currently available for the council.

- 1.3. Existing supplies covered by the current 4 year Laser Flexible Purchasing arrangement are suitable for transfer to the new framework that will come into effect in October 2016. It is also recommended that supplies identified as suitable for fully managed flexible purchasing that currently sit under the FTFP and Flex Light contracts are transferred to the new framework in October 2016 when their current contracts end.
- 1.4. After careful consideration of risks and benefits involved, it is recommended that the council considers staying with PIA (Purchase in Advance) for all electrical procurement but switch to PWP (Purchase within Period) for gas as officers believe further savings are possible due to the consistent volatility and drop in gas and oil prices.
- 1.5. Supplies which are not suitable (uneconomic) for transfer to flexible contracts will be subject to a separate procurement exercise through Laser under the FTFP tender framework, in order to achieve the best price and ensure compliance with OJEU and public sector procurement regulations. A FTFP contract would run for two years from October 2016 with provision for a one year extension.

2.0 RECOMMENDATIONS

- 2.1 To waive the provisions of Contract Standing Orders in relation to authority to award energy contracts.
- 2.2 To delegate to the Director of Finance and the Director for Building & Property Management the authority to enter into contracts with utility companies following the competitive procurement exercises via a Central Purchasing Body (currently LASER operated by Kent County Council) to take effect from October 2016 for 4 years. The procurement for the new framework has been carried out in accordance with EU procurement regulation.
- 2.3 For Members to receive an annual report on the contracts let by officers and proposals concerning the procurement of energy by the Council for the following year.

3.0 REASONS FOR CONTINUED ENERGY PROCUREMENT THROUGH LASER

- 3.1 Flexible Procurement managed by an approved Public Sector organisation is recommended for all public bodies by the PAN Government Energy Review Project (part of the Cabinet Office). The project has produced a number of reports supporting the adaptation. In addition the Green Report on public sector purchasing identified Energy as the only category where public sector achieved leverage through aggregations, achieving best value.
- 3.2 Flexible contracts are where the council's energy consumption requirements are aggregated and the energy commodity is risk managed within the wholesale market by specialist energy buying organisations. The energy supplier declares its cost to serve through a competitive tender process and the regulated (by government) fees are passed through in a transparent way. The supply framework normally lasts for four years but the contract prices are adjusted

annually to recover the raw (tradable) energy cost and the actual cost of regulated fees and charges.

- 3.3 The procurement of energy via a central purchasing body (CPB), amongst many advantages, saves the council money based upon the buying power. Laser which has been used by the council since 2008, purchase on behalf of over 120 Local Authorities and Universities and has demonstrated great efficiencies over the years. LASER is a “not for profit” energy buying group operated by Kent County Council.
- 3.4 The use of LASER as a Central Purchasing Body complies with the requirements of the Public Contract Regulations 2015. Given the expertise of the LASER organisation it is seen as the most effective, efficient and economical way for the Council to procure its energy requirements.
- 3.5 An energy procurement frameworks review was carried out between 2011-2014 for LBHF by the London Councils’ public sector collaboration, London Energy project (LEP). LASER was evaluated as achieving good performance against the market benchmark meaning it still achieved a good “Value for Money” savings for both gas and electricity. Also their flexible, risk managed procurement was effective in controlling commodity costs and continues to be the most appropriate price risk management strategy currently available for the councils.
- 3.6 The use of LASER as the council’s CPB provides OJEU compliant framework contacts for energy procurement as well as providing a number of other benefits including:
- Reduction in cost or energy procurement by negating need to manage individual OJEU processes
 - Support for dispute resolution with suppliers
 - Specialist energy procurement and management skills
 - Continuity of skills
 - Value added services (e.g. bureau services, energy demand reduction services, AMR installation services)
 - Leverage with suppliers

4.0 INTRODUCTION AND BACKGROUND

- 4.1 The public sector spends billions of pounds each year in a volatile market that is also set for price increase in energy costs. Energy is often a high profile spend category due to extreme price hikes; prices can fluctuate up to 5% on any given day and up to 100% in a year.
- 4.2 Flexible purchasing allows for the price of raw energy to be fixed over a number of trades on the wholesale market. There are a number of benefits to the use of flexible purchasing when compared with other methods of procurement and these are:
- Transparency over all costs that make up energy charges
 - Focus on controllable energy cost element
 - Purchasing conducted in real-time
 - No long-term price lock in

- Reduced forward risk premium
 - Responsive to market trends
 - Managed supplier transfers
- 4.3 The monitoring of energy consumption and payments for buildings covered by these contracts is undertaken by Professional Services Team within Transport and Technical Services, for corporate sites and the Estate Services Utilities Team within the Housing Department for Council Housing, both teams now utilising an external agency service provided by LASER Bureau Service.
- 4.4 The Laser Bureau Service allows the investigation of any abnormal consumption against targeted consumption over the previous twelve months. Working closely with their Bureau who validate bills prior to payment and using the now centralised finance system for dealing with utility bills result in reducing energy usage and costs.
- 4.5 Analysis of energy supply usage and consumption on a site by site basis also allows the site supply to be placed on the most appropriate and cost effective contract or flexible purchasing framework.
- 4.6 The use of LASER's Bureau also assisted the council to provide energy use data under the Carbon Reduction Commitment Energy Efficiency Scheme (CRC EES) obligations as required from April 2010. It should also be noted that due to the success of the framework, it was one of the key elements which attributed the Council to no longer qualify for CRC Phase 2 reporting as consumption has dropped below the required threshold.
- 4.7 STARK has been chosen as a supplier for Automatic Meter Readers (AMR) and phase 1 of the AMR roll out is now complete. Npower, one of the council's electricity suppliers which are managed by LASER will also be carrying out AMR roll out for a number of council sites to allow the Professional Services Team and Housing Department Utilities team to best monitor electricity use.
- 4.8 The proposed frameworks are compatible with the housing department's strategy for reducing energy consumption, costs and carbon footprint. The housing department is assessing the benefits of setting up Combined Heat and Power (CHP) or Cogeneration schemes on housing owned land or co-located with housing estates where appropriate. The CHP process captures and uses heat that is a by-product of the electricity generation process. The heat generated during this process is supplied to an appropriately matched heat demand that would otherwise be met by a conventional boiler
- 4.9 The advantages of CHP include an efficiency rate of over 80%; users typically save around 20% on energy bills for schemes put into operation; transmission and distribution losses are reduced and fuel supply security is increased. By generating heat and power simultaneously, CHP can reduce carbon emissions by up to 30% compared to conventional generation

5.0 CONTRACT PROPOSAL FOR PROCUREMENT OF ENERGY FROM OCTOBER 2016 to SEPTEMBER 2020

5.1 As set out in the exempt report on the exempt Cabinet agenda.

6.0 OPTIONS ADOPTED ISSUES

6.1 LASER are now requesting that the Council to enter into the contracts to join the 2016-2020 framework. The contracts are in a form of Tripartite agreements between the LBHF (customer), the supplier and Kent County Council (the Purchaser).

6.2 The following baskets are available under the Flexible Risk Managed options:

6.2.1 **Purchase in Advance (PIA)** - Purchases are completed in advance of the contract year. Supplier cost-to-serve fixed in the contract. The timing of purchases is at LASER's discretion, in conjunction with parameters set by the Governance Panel. Fixed prices for the contract year are advised to the customer prior to opening bills being issued.

6.2.2 **Purchase within Period (PWP)** - Purchases are completed in advance and within each 6 month contract period. Supplier cost-to-serve fixed in the contract. The timing of purchases is at LASER's discretion, in conjunction with parameters set by the Governance Panel. A reference price is applied on invoicing, with a reconciliation occurring at the end of each 6 month period between the reference price and the final achieved price.

6.2.3 **Flexible Light** - Purchases are completed in advance of the contract year. Supplier cost-to-serve fixed in the contract. LASER purchases energy requirements at its discretion in several blocks.

6.3 The process for the flexible procurement of energy via LASER requires a minimum agreement for a four year period to be viable. The council has been using the chosen basket PIA which has so far been deemed suitable for the past market trends within the gas and electric market. It is recommended that the council considers staying with PIA for all electrical needs due to economic stability but switch to PWP for gas as officers believe further savings are possible due to the consistent volatility and drop in gas and oil prices. PWP are good for large gas supplies needed throughout the property portfolio, as the PWP option has usually achieved a lower price than the Locked option PIA. This is particularly relevant where 'actual' consumption data such as advanced metering exists. Prices are concluded for each supply year commencing 1st of October to 30th of September the following year and contracts are drawn for 4 years.

6.4 The council will continue to choose between relevant baskets PIA and PWP as this is identified as the best solution for flexible procurement for the council needs. The contract basket arrangements will remain under close scrutiny over the duration of the contract and it will be feasible to swop from PWP to PIA and vice versa if that basket is found not to be any longer an economically viable option during the 4 year term provided a 6 Month notice is given to LASER if the

council wishes to make any amendments to their chosen baskets once the contract commences.

- 6.5 **Fixed Term Fixed Price (FTFP)** - Not all metered electricity supplies are suitable for transfer to a flexible purchasing arrangement due to the higher management costs incurred with flexible purchasing of energy supplies. Flexible purchasing arrangements are most suitable for larger supplies where savings realised through flexible purchasing will more than offset the increased management costs. For smaller supplies it is more cost effective to procure supplies through a FTFP contract.

7.0 OPTIONS AND ANALYSIS OF OPTIONS

- 7.1 Given current good levels of performance with aggregated, flexible, risk managed energy contracts, having OJEU compliant procurement methods and the degree of transparency offered around buying performance, fees and other charges. It is recommended that the council continue using aggregated, flexible, risk managed energy contracts as provided by LASER i.e. to engage a strategic risk managed approach that delivers overall best performance, as a means of achieving value for money as part of their wider energy strategy.
- 7.2 To date the buying and risk management of LASER has been good with LASER delivering achieved prices that were below market average. The London Energy Project has evaluated the aggregated flexible, risk managed contracts provided by LASER and recommends their use at contract renewal.
- 7.3 As per recommendations the council will sign the tripartite agreements and commit to LASER – PIA flexible contract framework for the framework period of October 2016- September 2020. For PWP basket energy prices are concluded prior to and within the supply periods (October- March and April- September. 6 Months' notice should be given to LASER if the council wishes to make any amendments to their chosen baskets.
- 7.4 Reviewing previous reports and recommendations the council will choose the PIA basket option for electric and PWP basket option for gas as this is identified as the best solution for flexible procurement for the council needs after careful consideration of risks and benefits involved. The Professional Services Team and Housing Utilities Team worked closely with LEP who carried out an Energy Strategy Review for LBHF and assessed the way that the council has been procuring energy through LASER.
- 7.5 It is noted that the council will continue to purchase gas and electricity through a framework set up by a central purchasing body. This procurement approach is in accordance with EU procurement rules and the Council's contract standing orders.
- 7.6 The Housing Department is currently carrying out a stock options appraisal that may result in a transfer of housing stock. Corporate and Housing supplies will be set out separately within the contract and provision agreed for the contract to be formally split and housing sites novated to a new legal entity should the

requirement arise following the completion of the stock options appraisal and any decisions arising from its recommendations.

8.0 CONSULTATION

- 8.1 Both departments (HRD and T&TS) have been consulted with regards to a joint report submission.
- 8.2 Leaseholders will have to be formally consulted before the contract can be entered into. This process usually requires two notices to be issued: a Notice of Intention and a Notice of Proposal. A Notice of Intention to enter into a new agreement for the provision of gas and electricity can be served as soon as required on the leaseholders who benefit from the services. Officers will however not be able to serve a Notice of Proposal allowing leaseholders the statutory 30 days to make observations before we enter into the agreement, as the required information will not be available. This is due to the nature of the procurement; a quote has to be accepted immediately and because of the continuous buying cycle the prices are only known at the end. We will therefore have to approach the First-tier Tribunal applying for a dispensation of the consultation regulations.
- 8.3 Leaseholders will be advised of the application and will be able to make comments as part of the process or make a case as respondents.
- 8.4 The Council was granted similar dispensation in 2012.

9.0 EQUALITY IMPLICATIONS

- 9.1 There are no specific equality implications related the contact requirements and consequently an Equality Impact Assessment has not been produced for this report.
- 9.2 Implications verified/completed by: Sebastian Mazurczak, Professional Services, x1707.

10.0 LEGAL IMPLICATIONS

- 10.1 Using LASER Energy Buying Group as a central purchasing body as defined in Regulation 2 of the Public Contract Regulations 2015 to procure the council's gas and electricity supplies meets all legislative requirements.
- 10.2 Implications verified/completed by: (Babul Mukherjee, Solicitor (Contracts), 020 7351 3410).
- 10.3 Housing Implications verified/completed by: (Jana Du Preez, Leasehold Services, 020 8753 4242).

11.0 FINANCIAL AND RESOURCES IMPLICATIONS

- 11.1 The recommendation is for the tripartite agreements with LASER for a four-year contract period from # October 2016 to # September 2020. The preferred option for the procurement of electricity is the 'Purchase in Advance' method and 'Purchase within Period' for Gas. The 'Purchase within Period' option is more suitable for gas due to the volatility of gas and oil prices.
- 11.2 The Flexible contract allows the council to continue using aggregated, flexible, risk managed energy contracts as provided by LASER. This will allow for a strategic risk managed approach that delivers overall best performance as a means of achieving value for money as part of the wider energy strategy.
- 11.3 The contract arrangements will remain under scrutiny by the Professional Services and Housing Team over the duration of the contract and it will be possible to change from PWP to PIA and vice versa depending on the economic viability of each option during the 4 year term.
- 11.4 Implications verified/completed by: Gary Hannaway, Head of Finance – TTS – 020 8753 6071.

12.0 IMPLICATIONS FOR BUSINESSES

- 12.1 There are implications for businesses as the contract covers all council assets namely corporate buildings, housing and street lighting. These will be managed by the LASER contract and the Professional Services Team.
- 12.2 By entering into this procurement for the provision of energy it will not prevent the Council from producing its own supply in the future if it wished.
- 12.3 The Council needs to explore further the inclusion of small businesses or other commercial businesses in the Laser contract.
- 12.4 Implications verified/completed by: Sebastian Mazurczak, Professional Services, x1707

13.0 RISK MANAGEMENT

- 13.1. The Shared Services Risk Manager agrees with the recommendation that the council continue using aggregated, flexible, risk managed energy contracts as provided by LASER and to engage a strategic risk managed approach that delivers overall best performance, as a means of achieving value for money as part of their wider energy strategy. This contributes positively to the management of Market Risk and Market Testing as noted in the Shared Services Risk Register, Risk number 4 delivering high quality commissioned services that are at best cost to the local taxpayer.

13.2. Performance management of the contract shall remain the responsibility of the Transport and Technical Services Department. Further savings from the new strategy would contribute to savings through smarter procurement thus contributing positively to the management of risks 1 and 2 managing budgets and the effect on LBHF of reductions in grants from central government.

13.3. Implications verified by: Michael Sloniowski, Risk Manager 020 8753 2587

14.0 PROCUREMENT AND IT STRATEGY IMPLICATIONS

14.1 Contract Standing Order 22 provides delegated powers to officers to award energy related contracts on behalf of the Council and to provide an Information Report to the Cabinet on their decision

14.2. The use of LASER Energy Buying Group (the trading arm of Kent County Council acting as a Central Purchasing Body) meets legislative requirements.


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

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

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Previous Cabinet and Committee reports on energy procurement (published)	Sebastian Mazurczak x1707	Professional Services, TTS – 5 th Floor HTHX
2	LASER – Energy Buying Group: <i>Flexible Energy Frameworks 2016 – 2020 Information Pack (exempt)</i>	Sebastian Mazurczak x1707	Professional Services, TTS – 5 th Floor HTHX
3	London Energy Projects: <i>Energy Contracts Value for Money Assessment 2011-2014 (exempt)</i>	Sebastian Mazurczak x1707	Professional Services, TTS – 5 th Floor HTHX

LIST OF APPENDICES: None

Agenda Item 10

	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>7 SEPTEMBER 2015</p>
<p>AGREEMENT WITH BLUEPOINT LONDON FOR THE PROVISION OF ELECTRIC VEHICLE CHARGING POINTS</p>	
<p>Report of the Cabinet Member for Environment, Transport & Residents Services - Councillor Wesley Harcourt</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Nigel Pallace, Chief Executive</p>	
<p>Report Author: Mahmood Siddiqi, Director Transport and Highways</p>	<p>Contact Details: Tel: 020 8753 3354 E-mails: Mahmood.Siddiqi@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. As part of its Air Quality Action Plan and the administration's manifesto commitments, LBHF wishes to increase the number of electric vehicle charging points in the borough.
- 1.2. This report recommends that the most cost-effective way to do this is to join the Londonwide Source London scheme, which requires signing a Variation Agreement with Bluepoint London.

2. RECOMMENDATIONS

- 2.1 That authority be granted to enter into the Variation Agreement and the Supplementary Agreements with BluePoint London Ltd in relation to the Pan London Scheme Agreement.
- 2.2 That officers work with BluePoint London Ltd to identify suitable sites for on-street EV charging points, with each site to be approved by the Cabinet Member for Environment, Transport and Residents' Services.

3. REASONS FOR DECISION

- 3.1. The Council's Air Quality Action Plan aims to reduce the level of emissions produced in the borough, and this is also a manifesto commitment of the current administration. One area identified as a possible source of emission reduction is the type of vehicle owned by borough residents, and to encourage the use of electric vehicles. Most residential properties in the borough do not have off-street parking, so in order to encourage the take-up of electric vehicles we need to provide accessible charging points, including some on-street.
- 3.2. It is considered that the most cost-effective way of doing this is by joining the Londonwide Source London scheme. If the Council were to provide the charging points itself, or engage another contractor to do so, it would incur considerable costs and risks and the charging points would not necessarily be compatible with those in other parts of London.

4. BACKGROUND

- 4.1. In May 2011 the Mayor of London launched "Source London", a Londonwide membership scheme for Electric Vehicle (EV) owners allowing members access to a collection of charging points throughout London, with one subscription rather than having to register to different local schemes.
- 4.2. LBHF joined the Source London scheme in May 2011. The Partnership Agreement allows the Council to source and install EV Charging infrastructure on-street, maintained by the Source London provider, with Transport for London (TfL) providing support and guidance to Councils. The Council has not installed any on-street charging points but some had previously been installed at Hammersmith and Charing Cross Hospitals and the King's Mall Car Park through the now-defunct SWELTRAC partnership of south west London boroughs.
- 4.3. TfL tendered Source London in 2013 and Bluepoint London Limited (BPL) was selected to take over the scheme in September 2014. BPL is part of the French Bollore conglomerate. Under the agreement, BPL will have full responsibility for the entire management and operation of the EV charging schemes.
- 4.4. The council's novation agreement to the new operator under existing terms and conditions was signed in November 2014. BPL are proposing variations to the agreement and after protracted negotiations and discussions with boroughs, TfL and London Councils, officers believe we have now reached a position where we can sign the agreement.

5. VARIATION PROPOSALS

- 5.1 The BPL proposals for Source London include:

- Enlarging the network by introducing more charging points
- Improving communications with a new call centre and website so that users of EV charging can speak to call centre staff via videophone at each terminal.
- A “global” supervision system that will identify and react to chargepoint faults in real time
- A new fee system for members costing £50 a year for membership and charges of up to £5 per hour for use of charging points and parking depending on location with a special rate capped at £4 for overnight charging for residents.

5.2 BPL is keen to work with the boroughs to extend and improve the network and their offer to boroughs includes:

- Responsibility for maintenance of charging points and related costs
- Payment of all electricity costs
- Payment of all installation costs for new points
- A fee of £500 per year per charging point in Zone 2. (Charging points in Zone 1 receive £1300)
- Mutual agreement between the local authority and BPL of locations for new points before installation.
- Responsibility for collecting all payments from scheme users

5.3 In return, the boroughs will:

- Work with BPL to identify suitable sites for new charging points.
- To keep the charging points for eight years or pay for their removal.

5.4 Under the variation agreement, BPL cannot require the council to put in a charging point in a location which we don't agree to, nor can the council require BPL to install a charging point in a location which they do not consider to be suitable or viable. As part of the agreement, boroughs will be expected to:

- Actively consider new locations which can be included in the scheme and submit them to BLP.
- Take all necessary enforcement action to ensure that EV bays are available for EVs.
- Maintain an up-to-date register of the asset number of each of its charging points, a copy to be supplied to BLP on request.

The variation agreement has been through several iterations since it was first drafted last Autumn, following concerns expressed by boroughs and London Councils, and we are now in a position to recommend that we can proceed to signature. Signing the agreement does not commit us to anything as each individual bay must be mutually agreed by both the Council and BPL. There is a supplementary agreement with LBHF which deals with concerns in relation to the length of time of suspensions of bays and compensation payable.

5.5. When officers of the Council and Bluepoint have identified and consulted on appropriate sites for charging points, they will be taken to the Cabinet Member for Environment, Transport and Residents' Services for approval. An initial batch of 5 points has been identified, and they would not involve the loss of any car parking spaces. Our aim for the identification of further locations for charging points is not

to lose parking spaces, but where this was inevitable, the proposal would be subject to parking stress surveys and local consultation.

5.6 Charging points may be provided in off-street car parks as well as on street, and Transport and Housing officers will explore possible locations in housing estates where there is a demand from residents.

6. ALTERNATIVE OPTIONS

6.1 There are two alternatives to signing the variation agreement with BPL:

- The Council does nothing and allows market forces to meet demand for EV charging points. In this case there would be no on-street provision, so the points would only be available to people with access to off-street parking, who are a small minority of LBHF residents. In the longer term, developments in EV charging technology may render the need for charging points redundant, but while technology is developing rapidly, this is still somewhat speculative.
- The Council installs its own bays. The table below gives a comparison between this and the BPL option:

BPL	LBHF Own Bays
<p>Users pay an annual membership fee of £50 and combined charging and parking charges of up to £5 per hour depending on location. With a special rate capped at £4 for overnight parking for residents</p>	<p>We have the freedom to decide how much to charge for the electricity and the parking.</p>
<p>We would receive £500 per year for each bay. We would not receive direct Pay and Display payments for vehicles parked in our EV bays.</p> <p>Charging points would be installed and maintained at no cost to the council</p>	<p>We could set whatever price we choose for the parking space and/or electricity. The average income per bay can be £6,500 per year. However, as bays are not 100% occupied and they are shared use, the loss of a bay does not necessarily mean the loss of the average income. The loss will depend on the extent to which motorists are able to park in nearby P&D bays. We will also be looking as far as possible at providing EV bays on stretches of single yellow line rather than in parking bays.</p> <p>We would need to pay around £10,000 to purchase and install each charging point and arrange our own maintenance and data collection. Maintenance costs would vary but we should expect around £500 for routine maintenance. We would also need to pay for the electricity consumed at the charging points.</p>

BPL would undertake the administration	We would need to find the resource to administer the scheme and manage electronic keycards to access the charging points. This would be further complicated if we decided to charge for electricity.
It is likely that most boroughs will join BPL and LBHF could risk criticism for not supporting the Londonwide scheme.	The importance of having a Londonwide scheme is arguably less now than a few years ago as battery ranges have improved.
It would be easier for EV users from other boroughs to drive into the borough and recharge.	We would have the freedom to decide whether we wished to encourage more EV trips into the borough.
Bays would be reserved for EVs at all times	We would be able to decide whether bays should be reserved for EVs for only part of the time.
We would need to use the BPL standard charging point (white charging point, large feeder pillar, only one car charged at a time, each bay will need a charging point	We would have greater choice over the type of charging points used.

6.2 Officers consider that overall the advantages of joining the BPL scheme outweigh its disadvantages vis-à-vis a scheme provided by the Council itself or the “do nothing” option. If the Council does decide to pursue this option, we will discuss with BPL ways of ensuring that local labour is used, though we do not have powers to require them to do so.

7 FINANCIAL IMPLICATIONS

7.1 The variation agreement with BPL will mean that all costs related to the installation and maintenance of the charging points will be managed by them.

7.2 The parking projects team in The Transportation and Highways division is responsible for carrying out the feasibility studies and consultations to recommend suitable sites, and for contributing time towards the design and

implementation of the scheme. Some £13,000 is allocated for this purpose in the team's 2015-16 budget. Our aim is to identify an initial batch of 5 EV bays.

- 7.3 The Council will receive an annual payment of £500 for each charging point. Where they are placed on existing yellow lines, this would be entirely new revenue. Where charging points are proposed in existing shared- use bays, we will carefully examine the likely loss of pay and display revenue and the parking stress levels to ensure that there is still sufficient parking available for local residents, businesses and visitors.

8 EQUALITY IMPLICATIONS

- 8.1 The provision of on-street EV charging points will facilitate the take up of electric vehicles by residents who do not have access to off-street parking .
- 8.2 Encouraging the use of electric vehicles is part of the Council's Air Quality Strategy. Improving air quality will particularly benefit vulnerable people such as children, older people, disabled people, those suffering from chronic illness and those who live on main roads, who tend to be poorer people.

9 LEGAL IMPLICATIONS

- 9.1 As the value of the contract is below the current EU threshold, the contract is not governed by the Public Contract Regulations 2015, unless there is a market for these particular services outside the UK, in which case there is a risk that an economic operator could pursue a claim for a breach of the Treaty principles. However, it is considered that this risk is low.
- 9.2 Legal Services will be available to assist the client department with finalising and completing the Supplementary Agreement and the Deed of Variation.

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

10 BUSINESS IMPLICATIONS

- 10.1 Improving air quality will make the borough a more attractive place to live and work, and will therefore benefit businesses. Those businesses which are involved in the production and maintenance of electric vehicles, will particularly benefit.

11 COMMENTS OF THE DIRECTOR OF FINANCE

- 11.1 There will be no cost to the Council of installation and maintenance of new charging points.
- 11.2 The Parking Projects team have budgets only for their salaries and the time that they allocate to this project will not be chargeable as there will be no external income to cover it. There should be no additional cost to the Council while working on this project but other projects will have a lower priority.

- 11.3 The sites for five charging bays are to be identified initially. It is not possible to calculate the financial impact properly until the location of the sites is known. The report does say that officers will try and locate the sites in areas that currently have single yellow lines in which case the impact would be the one off cost of removing the yellow lines and changing traffic orders less the annual income of £500. The one off costs would not be significant.
- 11.4 The average maximum yearly income for a Parking Bay, assuming that it is constantly occupied by a paying customer and not a parking permit holder, is £4,969 for a bay that charges £1.10 per half hour and £9,537 for a bay that charges £1.40 per half hour.
- 11.5 If the bays were sited in existing pay and display bays then there would be the additional cost of the lost pay and display income, over and above the one off costs less the annual income. This would range from zero (if a bay was constantly occupied by a parking permit holder) to £4,969 or £9,537, as described in 11.4 above.


Comments provided by Gary Hannaway, TTS Head of Finance, Ex. 6071

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
	None		

LIST OF APPENDICES:

None

	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>7 SEPTEMBER 2015</p>
HOME CARE SERVICES – AWARD OF THREE CONTRACTS	
Report of the Cabinet Member for Health and Adult Social Care : Councillor Vivienne Lukey	
OPEN REPORT	
A separate report on the exempt part of the Cabinet agenda provides exempt financial information.	
Classification - For Decision	
Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Liz Bruce, Executive Director for Adult Social Care	
<p>Report Author: Tim Lothian, ASC Procurement Manager, LB Hammersmith & Fulham</p> <p>Sarah Newton, Senior Commissioning Manager, Westminster City Council</p>	<p>Contact Details: Tels: 020 8753 5377 020 7641 3271 E-mails: tim.lothian@lbhf.gov.uk snewton@westminster.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the proposal for contract awards for new Home Care Services for people who meet Adult Social Care (ASC) eligibility criteria in the London Borough of Hammersmith and Fulham (H&F).
- 1.2 This report recommends that the H&F awards three Home Care Services Contracts, one of which will provide services to customers in the north of the borough, one to customers in the central area of the borough and one to customers in the south of the borough.

2. RECOMMENDATIONS

- 2.1 To award three Home Care Services Contracts, each for a period of five years from 1st January 2016 to 31st December 2020 with the option to extend for a further period of up to two years.
- 2.2 To award three contracts; one for Contract Area 1, Hammersmith & Fulham North; one for Contract Area 2, Hammersmith & Fulham Central and one for Contract Area 3 Hammersmith & Fulham South. The estimated contract value over five years will be £11.7m per contract.
- 2.3 To delegate the decision on whether to extend the three contracts to The Leader and the Cabinet Member for Health and Adult Social Care, if the financial value of the extensions is less than £5 million.

2. REASONS FOR DECISION

Most economically advantageous submission

- 3.1 In accordance with the Restricted Procedure as set out in the Procurement Strategy, the Procurement Board developed a Specification and ran a Pre-Qualification Questionnaire (PQQ) and an Invitation to Tender (ITT) to identify one provider for each Contract Area. For the three Contract Areas, out of all the tenderers who submitted a tender, the evaluation process found the selected tenderer's submission to be the most economically advantageous submission that met the required quality thresholds. Details are provided in Appendix A - Commercial and Technical Evaluations (contained in the exempt report on the exempt Cabinet agenda).
- 3.2 **H&F Contract Standing Orders**
- 3.3 The combined estimated financial commitment for the Contracts for Contract Areas 1, 2 and 3 over an initial five year duration is over £100,000.
- 3.4 H&F Contract Standing Orders require that contracts with a total estimated value of £100,000 and above are awarded by H&F Cabinet.

3. INTRODUCTION AND BACKGROUND

- 4.1 Home Care Services are considered the main provision of a raft of measures which enable people to continue to live in their own homes as independently as possible.
- 4.2 The table below shows a snapshot of people using home care at the current time

	H&F
Current approximate annual budget	£6,642,000 p.a.
Home care customers (average numbers)	1,192
Number of hours per year	592,782 p.a.
Number of current providers used	4 Providers who were on a Framework contract plus additional spot purchase
Estimated percentage increase in people over 65 with a limiting life long illness in 2020	8%
Percentage increase in people with dementia in 2020	7%

4.3 In H&F, care is currently provided on a spot purchase basis by the same 4 providers with whom there has been a contract for the past 4 years. The service was provided as part of a call off from a Framework Agreement with West London Alliance which ended on 30th September 2014. It was not possible to further extend contracts on an out of date Framework. Negotiations have been agreed with the main Providers being used regarding rates and accepting work and are continuing to be used as before.

4.4 The current provision of home care services are contract managed by the ASC Procurement Team. Data pertaining to referrals, training, staff leaving and joining, safeguarding issues etc. are collated. The quality of service provision is monitored by the team through feedback from operational staff.

Home Care Management System (HCMS)

4.5 RBKC currently has an electronic monitoring system that tracks care worker visits and that can be viewed by ASC staff. This allows payment to be made based on the actual level of service delivered rather than the level of service ordered, thus enabling savings to be achieved.

4.6 Although it cannot measure the quality of the service being delivered, it does provide information on who has delivered the care. It can also confirm whether visits have been undertaken on time or at all, thereby safeguarding customers.

4.7 This system has proved efficient and effective and has enabled savings to be made on home care spend in RBKC. During the design of the new home care service it was agreed that Hammersmith and Fulham and Westminster City

Council would also adopt a HCMS system to underpin service delivery and ensure accurate billing. As the nature of the service delivery will change, a system that underpins safe delivery, can assist in measuring stipulated quality measures and delivers efficiencies across all boroughs will be vital in supporting the service design.

- 4.8 A separate procurement has been undertaken to purchase a new electronic HCMS system for the three boroughs to enable these efficiencies and effectiveness to be achieved.
- 4.9 The contract for this service has now been awarded to eziTracker. The system will be operational from the start of the new service and is being tailored to meet the specification requirements at present.
- 4.10 The system will ensure customers and their families, and contract monitoring and finance staff, have information on when care workers have visited, overall monthly hours and consistency of care worker.
- 4.11 The electronic monitoring system will allow electronic invoicing based on accurate billing and automated payments, a key efficiency saving for the service.
- 4.12 A central Home Care Management Team (HCMT) will be developed from existing resources to manage referrals, ensure provision of services, monitor quality of services and payment of invoices. The structure and functions of the team will be based on the successful learning of the existing RBKC team.
- 4.13 This team will also undertake light touch reviews

Service design

- 4.14 Soft market testing with providers as part of the specification development confirmed and shaped the direction of travel for the new service. The procurement was designed to facilitate the involvement of locally based small and medium size providers. This was either individually or as part of a consortium bid or as a sub-contractor. The requirements of the Financial Capability test at PQQ stage were lessened to increase the number of providers eligible to tender for the contracts without exposing the councils to an unacceptable level of risk.
- 4.15 The new service is a retender of an existing service, with a change to the service design. It is a key service for Adult Social Care in their strategy to support people to remain living at home as independently as possible. The service has been designed to be fit for purpose for the needs of a range of people with complex needs being supported at the current time, with an emphasis on achieving outcomes, a reabling approach and improving local connections. The service will support a reduction in numbers of people admitted to hospital or to residential care, as well as facilitating timely discharge from hospital, thus supporting the Council's strategic direction as well as the CCG Out of Hospital Strategies to increase the number of people supported in their own homes.

- 4.16 The current arrangements for the delivery of Home Care Services are not aligned with the strategies for the delivery of efficient and effective services in the future. The services are no longer fit for purpose and the needs of those living at home are changing and increasing.
- 4.17 The demand for home care in the borough has increased over recent years with a resultant increase in cost. This is partly attributable to the work to maintain people to live in their own home rather than admit them to a care home. As well as supporting the CCGs' Out of Hospital strategy as highlighted above. The abolition of home care charging has also impacted on the overall budget.
- 4.18 Current activity and future projections show that Home Care Services need to be able to support more people to live at home who have increasingly complex care needs. This requires closer integration with local health services, a greater focus on supporting the whole person and forming connections with the wider community, and in some cases care workers who can undertake both health and social care tasks.
- 4.19 The current provision of home care in the three boroughs is fragmented. This procurement changes the way care is provided by:
- a new more fit for purpose model of provision meeting the demands of increasingly complex needs of Customers;
 - being based on improved outcomes for Customers;
 - a better working relationship with a small number of providers and shared learning across the boroughs;
 - a positive experience and increased job satisfaction for care workers as standards for employees improve;
- 4.20 A Home Care Services Board has worked together from the start of this procurement to understand concerns and issues about the current service, assess good practice models, incorporate current strategies and the move to integration, use data to forecast future needs and develop the service specification and delivery model. There has been consultation with a range of stakeholders throughout this process as to what constitutes effective and good Home Care Services.
- 4.21 The Home Care Services that have been procured are based on:
- An area based service, giving a local approach to care delivery.
 - A reablement approach as part of care provision with people being encouraged to do as much for themselves as possible.
 - Achieving outcomes for customers and thereby moving away from 'time and task' focused provision.
 - Providers working more directly with customers to agree the details of their care and how their outcomes will be achieved.
 - Ensuring dignity and compassion are core values of the service.
 - A more consistent service provision with regular care workers who are familiar to Customers being a business critical measure.
 - People being assisted to feel a part of their local community.

- The use of electronic monitoring to record care delivery, safeguard customers and enable accurate billing
- 4.22 There is a change in emphasis on the provision of care in the developed model to make it more fit for purpose to deliver the intended outcomes. These include:
- A mixed skills workforce, with improved terms and conditions for care workers.
 - Working towards the provision of low level health tasks through the integration of care over the length of the contract.
 - More regular reviews to ensure the right level of care provision.
 - A greater involvement of customers in providing feedback as part of contract monitoring.
 - Joint working with the commissioned providers across the three boroughs to share knowledge and improve quality.
- 4.23 Because of the greater focus on a skilled workforce and a reablement approach and by showing how Home Care Services can support the work of the CCG's, the CCG have agreed to contribute financially to the budget and discussions continue about the model of future investment. Home Care Services are now part of the suite of services delivered through the Better Care Fund.
- 4.24 The benefits of this are:
- A better patient experience where customers only tell their story once.
 - Better outcomes for the individual customer through a collaborative approach between professionals who share knowledge and problem solve together.
 - A more responsive service where the whole team of professionals are aware of the changing needs of the individual customer and can respond with the most appropriate care.
 - Efficiencies through reducing the total number of visits and ensuring tasks are allocated to the most appropriately skilled staff.
- 4.25 The Care Act requires Councils to provide Personal Budgets, including Direct Payments, to everyone who uses ASC services. The increasing popularity of Direct Payments will ensure there is a healthy market of home care providers for people to choose from and will enable smaller organisations to continue providing services. This will allow people a choice of providers to use should they not wish the Council to commission a service on their behalf.

4. PROCUREMENT PROCESS AND AWARD

Gate 1 Procurement route/OJEU approach

- 5.1 The Restricted tender process was selected on the basis that there are a large number of providers in this market and this would allow only those with

appropriate experience and sufficient financial capability to be shortlisted to proceed to the Invitation to Tender (ITT) stage.

- 5.2 As this procurement commenced before 26th February 2015 it has been conducted in accordance with The Public Contract Regulations 2006. Home Care Services are classified as a Part B Service and accordingly there is no requirement to publish a Prior Information Notice (PIN) or Contract Notice in OJEU.
- 5.3 The procurement was run on the basis of legal advice that the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) did not apply as no current working arrangements were replicated by the proposed geographical contract area model.
- 5.4 In accordance with the current procurement policy of the three boroughs adverts for tenders are only placed on the e-tendering portal, capitalEsourcing. At two provider events held in February 2015 potential providers were told of the need to register their organisation on capitalEsourcing so they were aware when the procurement process started. This information was also circulated by e-mail to home care providers listed on a large database maintained by the Council.
- 5.5 The home care contracts were tendered out across the London Borough of Hammersmith and Fulham (H&F), the Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC). H&F were the lead borough for the procurement, as the Adult Social Care (ASC) lead.
- 5.6 The Services in H&F were divided into three geographically based contract areas. These are:

Contract Area 1: H&F North
Contract Area 2: H&F Central
Contract Area 3: H&F South
- 5.7 The contract areas were based on existing demand levels of approximately 3,000 hours per week. Contracts of this size are large enough for providers to achieve economies of scale and not overly large that medium size organisations are prevented from tendering.
- 5.8 Area based contracts also minimise the amount of time that Care Workers spend travelling between customers.
- 5.9 The procurement was designed to award one contract for each contract area, accordingly a provider would be required to accept all referrals for the contract area they are awarded. A traditional two party contracting model will be used with each council contracting directly with the providers awarded contracts in their borough.
- 5.10 Tenderers would be permitted to proceed to ITT for a maximum of two contract areas to avoid providers acquiring a dominant market position and to reduce the risk of provider failure due to an inability to meet demand levels. Additionally

where a tenderer was shortlisted to proceed to ITT for two contract areas these would be in different boroughs to avoid the consequences of provider failure being borne entirely by one borough.

Gate 2 Supplier selection and award proposal

5.11 The Pre-Qualification Questionnaire (PQQ) comprised qualification areas and technical questions. For a potential provider to proceed to ITT they had to pass all qualification questions and score a minimum of five out of ten for all of the technical questions.

5.12 The qualification areas covered:

- Organisation information
- Mandatory and discretionary grounds for exclusion
- Financial capacity
- Insurance
- Contractual matters
- Health and Safety
- Quality Assurance

5.13 The technical questions covered:

- General experience and diversity – 10% weighting – tie break priority 5
- Workforce training and skills – 10% weighting – tie break priority 7
- Workforce development and conditions – 15% weighting – tie break priority 3
- Safeguarding – 10% weighting – tie break priority 4
- Complexity of needs – 20% weighting – tie break priority 1
- Promoting independence – 15% weighting – tie break priority 2
- Customer engagement – 10% weighting – tie break priority 8
- Health – 10% weighting – tie break priority 6

The tie break priorities were established to enable the separation of tenderers in the event they achieved identical overall scores.

5.14 Potential providers were required to indicate whether they wanted their application be considered for one or two contract areas and to rank the contract areas they wanted to be considered for in order of preference. Potential providers were then allocated to contract areas in the order of their total Technical score, with the highest scoring potential provider being allocated first. The higher therefore a potential provider's Technical score, the greater the chance they would be allocated to their highest ranked contract areas.

5.15 Using this method of allocation to contract areas, it was necessary to eliminate tied scoring. A scoring model using 0 to 10, as opposed to 0 to 5, was selected to reduce this possibility. Where tied scoring still occurred all questions were prioritised and used as "tie breakers" until potential providers could be separated for the purposes of allocation to contract areas.

- 5.16 As it was anticipated that there would be a high number of PQQ's returned Tender Appraisal Panels (TAP's) were set up, each with the responsibility to mark all returned submissions for one question. The members of the TAP's were required to individually mark submissions and then meet to agree consensus scoring for all submissions for the question they were responsible for.
- 5.17 The qualification submissions were evaluated by (ASC) Procurement Team officers with input from officers from H&F Corporate Accountancy Team with regard to the evaluation of potential providers' financial capability.
- 5.18 The aggregation of the qualification and technical evaluations was coordinated by the ASC Procurement Team.
- 5.19 The PQQ was published on the capitalEsourcing portal on 24th June 2014. A total of thirty seven completed PQQ's were returned by the submission deadline date of 31st July 2014.
- 5.20 Thirteen potential providers were rejected at this stage. Seven failed to satisfy the minimum financial requirement as set out in the PQQ and scored less than five for at least one of the eight technical questions. Two failed to satisfy the minimum financial requirement and four scored less than five for at least one of the eight technical questions.
- 5.21 Of the twenty four tenderers who passed the PQQ, nineteen were shortlisted to proceed to ITT for two contract areas. Two elected to only be shortlisted for one contract area and three only satisfied the minimum financial requirement for one contract area.
- 5.22 In accordance with H&F Contract Standing Orders a minimum of five tenders should be sought for contracts with a value equal or greater than £173,934. For the nine contract areas this would require 45 tenders. As the maximum number of tenders that could be obtained following the evaluation of PQQ's would be 43 it was agreed that the procurement could continue on this basis. Following the allocation of tenders to contract areas four tenderers were shortlisted to Contract Areas 2 (H&F Central) and 7 (WCC North East) while five were shortlisted for each of the other seven Contract Areas.
- 5.23 The ITT was published on 4th December 2014.
- 5.24 The Evaluation Methodology was based on 50:50 commercial:technical ratio, also referred to as the price/quality split.
- 5.25 Tenderers were required to submit written answers to twelve technical questions covering the following areas:
- Implementation – 10% weighting
 - Workforce – 15% weighting
 - Service delivery – 15% weighting
 - Complexity of care – 15% weighting
 - Communication – 5% weighting

- Partnership working – 5% weighting
 - Added value – 5% weighting
 - Health: provision of health tasks – 5% weighting
 - Health: multi-disciplinary working – 5% weighting
 - Safeguarding – 5% weighting
 - Independence and reablement – 10% weighting
 - Business continuity – 5% weighting
- 5.26 Each tenderers' technical submissions were marked independently of the contract area(s) they related to. Due to the volume of technical submissions nine TAP's were set up of which six marked all submissions relating to one question and three marked all submissions relating to two questions. TAP members were required to individually mark submissions and then meet to agree consensus scoring for all submissions for the question(s) they were responsible for.
- 5.27 Technical submissions were marked using a scoring model of 0 to 10. Following the application of the percentage weightings to scores each tenderer was awarded a mark out of 100 which was then halved to give a score out of 50. A tenderer who scored less than five out of ten for any of their twelve submissions was rejected and their tender excluded from any further consideration.
- 5.28 Unlike a tenderer's commercial score which was contract area specific, for those tenderers shortlisted for two contract areas their technical score was the same for both areas.
- 5.29 Twenty one tenderers submitted a tender by the submission deadline date of 28th January 2015. Three tenderers who had each been shortlisted to submit tenders for two contract areas failed to submit.
- 5.30 A total of 37 tenders were received across the nine contract areas:
- 5.31 For Hammersmith & Fulham:
- Contract Area 1: H&F North: 4 tenders were received
 Contract Area 2: H&F Central: 4 tenders were received
 Contract Area 3: H&F South: 4 tenders were received
- 5.32 In legal discussions during the procurement, it was agreed that due to the changed nature of the service provision into three discrete patches, TUPE would not apply to the new contracts.
- 5.33 There are no in house Council staff involved in this process.

5. IMPROVING SERVICE QUALITY

- 6.1 The development of the service specification demonstrates the intention of stakeholders to change the nature of the relationship with Home Care Services providers to incorporate a more partnered approach to improving care provision.

6.2 There is a clear expectation that providers will work with the councils to develop the service in the following areas:

- Increased involvement of independent organisations in the evidencing of quality, including customer feedback.
- Workforce development.
- Promoting equality, dignity and compassion, human rights and social inclusion.
- Assessing and supporting opportunities for promoting health and wellbeing depending upon levels of training achieved and ways of working within Multidisciplinary Teams (MDT's).
- Work with officers and other stakeholders on developing a set of agreed home care principles.

6.3 In addition, the emphasis on a well-supported and rewarded staff was made clear, changing the focus of the tender from being more price driven to one with stated intentions for an improvement in quality, job satisfaction and customer experiences.

6.4 This development work will include the home care providers as well as other local organisations and residents as may be appropriate, for example independent organisations such as Healthwatch evidencing quality and increased evidence of partnership working with other local stakeholders.

7. IMPLEMENTATION PLAN

7.1 The implementation of the new Home Care contracts will take place over a three month period following contract awards. H&F's implementation will start once Cabinet approval is given and all governance is completed. It is intended that the implementation period will take place in October, November and December 2015 with a contract commencement date of 1st January 2016.

7.2 The implementation process is being developed via an implementation project group, addressing the different areas involved and relevant tasks and responsibilities.

7.3 All successful tenderers submitted their own proposed Implementation Plan as part of their technical submission which officers will use to monitor their progress from contract award to six months from contract commencement date.

7.4 The implementation process will be facilitated by a Project Manager, a Contract Manager, commissioners, and operations staff with support from other officers including the Home Care Management Team (HCMT) and Frameworki, Business Analysis and Communications teams.

7.5 The Contract Manager will facilitate the various tasks around the implementation of the new contracts with both the new and incumbent providers. This work will primarily involve the smooth transfer of customers between providers. To reduce

the number of customers transferring, the new providers are contractually obliged to accept new customers on a spot purchase basis from the date of contract award, as opposed to the standard practice of this being from the date of contract commencement.

- 7.6 The transfer of customers within each contract area will be firstly by postcode and then by incumbent provider.
- 7.7 There will be an identified ASC Contracts Manager and Senior Commissioner who will be a point of contact for operations staff during the entire implementation process.

8 OPTIONS AND ANALYSIS

- 8.1 There was an option to continue with a time and task approach to Home Care Services and to procure new services based solely on the lowest unit price per hour. With this model there would be no incentive for providers to encourage independence and the Councils would face increasing budget pressures as more people with more complex needs are supported to continue living in their own homes. This model also offers limited opportunities for integration with health services or for the delivery of health tasks. For reasons of quality of service, whole systems integration, customer satisfaction and budgetary control this option is not recommended.
- 8.2 To take account of the feedback from Customers, organisations that deliver home care and the NHS, various models have been assessed during the development of the new service. These have both cost and service implications and have been previously presented to Cabinet members, jointly and separately to enable decisions to be made.
- 8.3 These options have included various rates of pay, allowance for travel time and the use of a mixed-skills workforce to provide more complex support.
- 8.4 The recommended option informally agreed prior to the procurement by ASC Cabinet Members was to offer the new service using a mixed skills workforce and with the expectation of improved employment terms and conditions for care workers. This would be supported by the evaluation at ITT of the minimum hourly rates paid by tenderers.

9. CONSULTATION

- 9.1 Following the decision to retender Home Care Services a series of consultation events were held to ask stakeholders how they considered a good and compassionate service could be achieved. Four events were held in the summer of 2012, attended by 184 people, 17% of whom were customers and carers of those using services.
- 9.2 A consultation report was produced by Frameworks 4 Change, an independent provider who facilitated the consultation events on behalf of the three boroughs.

- 9.3 The consultation events concluded that people considered that the key features of any new service should be:
- Consistency of care worker.
 - A service which looks more widely at people's lives including outcomes for them.
 - A more streamlined assessment process.
 - Integrated care provision.
 - Support for people to lead good lives.
- 9.4 Two soft market testing events were held for providers to establish their views on the proposed outline model of care delivery. Subsequently and to further refine the delivery of the proposed model, questionnaires were sent to current home care providers on more specific issues of delivery.
- 9.5 Officers have also met and shared detailed information of the proposed service model with carers' organisations and voluntary community services and taken account of their feedback.
- 9.6 Operational staff have also been part of the on-going consultation and feedback process.
- 9.7 Healthwatch have been involved since the start of this work in 2012 as the representation of customers' voices and voluntary organisations in the three boroughs. A home care group working across the three boroughs was established and has met regularly since. This is made up of customers, carers and organisations representing people's needs. Officers attend the meetings to hear views, discuss current services and provide updates on the proposed service.
- 9.8 The group has worked with officers in delivering the consultation; helped shape the specification and informed of the priority areas that are relevant to them during the procurement process and will continue to be involved in the development and monitoring of the new service.
- 9.9 There has also been a closed confidential group established within Healthwatch to work directly with the procurement of the new service. They have been involved in agreeing the specification, agreeing the priorities to question providers on at both the PQQ and ITT stages of the procurement, and in discussing with officers the evaluation of some responses from tenderers on the area of communication, a key priority for customers.
- 9.10 The main issues raised by Healthwatch include:
- People being treated with dignity
 - Consistency of care worker
 - Pay for workers
 - Timekeeping/travel
 - A more streamlined assessment process

- Helping people link with their local community

and these have been included in the service specification and in assessing tenderers at ITT tender stage.

- 9.11 The Healthwatch home care group will continue to be involved in the development and implementation of the new service, working with providers on embedding good practices and what is important to customers as well as continuing their dignity champion work with customers on their views on the service they receive.

10 LOCAL BUSINESS

- 10.1 Throughout the service design and procurement phase of these contracts, there has been a desire to promote local involvement and connections through this service delivery. This is both by connecting customers with their local community to reduce isolation and improve lives, as well as working with local businesses and residents to help support our work.

- 10.2 This will be by Providers getting to know the local area and working with communities; officers working with local employment development teams to promote the work to local residents and also encouraging Providers to employ suitable local candidates.

- 10.3 The Specification and ITT for the new services will seek social value benefits from providers by ensuring:

- 10.3.1 Employees' qualifications and skills are developed (all employees are required to have the forthcoming Care Certificate and gain the Qualifications and Credit Framework (QCF) Level 2 Diploma in Health and Social Care within a year of working for the Service Provider. Employees will receive regular training/ all employees must have a personal development plan).

- 10.3.2 There is a focus on partnership working between the successful providers, so employees are aware of other key health and ASC services that service users can be referred to, developing a more unified support network.

- 10.3.3 Providers and their care workers know the local resources to be able to signpost their customers to. This will help customers to retain links with their social networks, or gain new networks, which is expected to improve their overall health and wellbeing. It is also expected to improve care workers job satisfaction.

- 10.3.4 A personalised approach is offered to all customers. We have specified that customers need to be able to be involved in the decision making process about how their care is delivered and that there must a positive feedback mechanism.

- 10.3.5 Providers deliver positive outcomes by having outcome focused Business Critical Measures (service satisfaction, enablement, outcomes achieved).

- 10.4 Providers are required to work with us to develop services over the life of the contract which will allow flexibility for new initiatives, which may be local, to be established.
- 10.5 Many of these requirements have been developed with customer input as key stakeholders (see sec 9) and are built into the Specification and ITT questions.

11 EQUALITY IMPLICATIONS

- 11.1 An Equality Impact Assessment was completed at the start of the procurement process. There are no negative equality impacts as a result of the proposed contract awards. Providers have been asked about their ability to provide a service to a diverse population as part of the tender evaluation and the service specification is clear on the need for an inclusive service approach and an ability to meet the needs of people from a range of cultures and with a range of different needs.
- 11.2 Direct Payments will be available to customers who want to purchase their care from a different provider or individual, if they wish to continue receiving their care from a current provider, or to meet a particular protected need.

12 INFORMATION, COMMUNICATIONS AND TECHNOLOGY (ICT) IMPLICATIONS

- 12.1 A Home Care Management System (HCMS) has been procured to support and assist in the digital management and monitoring of these contracts. The HCMS will interface with Frameworki (the Boroughs' Case Management System), and providers' rostering and e-monitoring systems in order to notify providers of a request for service, and monitor the delivery and outcomes of service provision.
- 12.2 The Director of Procurement & IT Strategy authorised the procurement and specification of this system. Information Management (IM) and Hammersmith & Fulham Bridge Partnership were also consulted and provided input to the development of the specification and reviewed the system to ensure it would be fit for purpose.
- 12.3 The Project Team completed a Privacy Impact Assessment and incorporated the IM recommendations into the appropriate documents at each stage of the process. For example, the inclusion of an information sharing agreement as an integral part of the contract with Ezitracker Ltd, use of an information security checklist and a data retrieval plan as part of the disaster recovery plan. An Individual Service Agreement will be completed with successful providers as part of contract documentation to make sure data protection issues are adhered to.
- 12.4 The IT implications of this system are limited as the solution is web-based so does not impact upon the three Boroughs' infrastructure beyond utilising the existing interfaces with Frameworki.

13 LEGAL IMPLICATIONS

- 13.1 As set out in the exempt report on the exempt Cabinet agenda.

14 RISK MANAGEMENT AND BUSINESS CONTINUITY

- 14.1 The ASC department is responsible for ongoing risk identification and mitigation of risks (risk management), such as they may arise, that are associated with the procurement. Should any significant risks materialise they must be communicated across the three councils and inform the Adult Social Care Department level Risk Register. A project register has been completed and is kept under review that follows the Shared Services risk management approach.
- 14.2 Resilience in providing Home Care Provision is essential, as an interruption to the service could have far reaching consequences. Resilience is best achieved by looking at viable options to remove any risk associated with the provider, plus having robust and workable strategies that are able to continue the service offered.
- 14.3 Officers tested Providers financial stability at PQQ stage to ensure they have a robust financial basis for the work they will be undertaking. Advice and sign off was sought from Corporate Finance to ensure this.
- 14.4 The Care Act gives Council's greater responsibility for predicting and managing any consequences of provider failure in Adult social Care. For example this could include regular reviews of an organisations financial standing. The Head of Procurement has been working with the Business Continuity Manager to address this issue in general, and specifically relating to the new home care services.
- 14.5 A Resilience strategy is being developed as part of the project group work. This will involve a range of stakeholders, including commissioning officers, contracts officers, care management as well as external providers such as CQC and other local providers.
- 14.6 Resilience, market testing (achieving best value to the local taxpayer) and managing statutory duties are corporately acknowledged strategic risks noted on the Shared Services Risk Register.

Implications completed by: Michael Sloniowski, Shared Services Risk Manager, 020 8753 2587.

15. FINANCIAL AND RESOURCES IMPLICATIONS

- 15.1 The financial implications of the proposed contract awards are shown in Appendix B – confidential part exempt.
- 15.2 There are additional financial implications for H&F. The hourly charge to the Council is significantly higher under the proposed arrangements, this is in part due to the new requirement to pay London Living Wage (LLW). The allocated budget is under existing pressure due to the increased number of people supported at home.

15.3 There are expected to be savings achieved through the electronic billing and invoicing for the service achieved through the HCMS, (see sections 4.6 and 4.10) ensuring that only care delivered is actually paid for.

15.4 The deduction in costs due to more frequent reviews is dependent on Operational staff being able to undertake these reviews.

16. DIRECTOR OF FINANCE COMMENTS.

16.1 The costs arising under these contract arrangements are dependent upon the volume of home care commissioned.

16.2 The financial modelling has been based on the hours of home care purchased in 2014/15. The following table summarises the financial position in a full year i.e. once the new arrangements have been fully implemented:

	£000's
Full year cost of purchasing care under the new arrangements (less cost reductions mentioned in section 4)	7,451
Current budget provision	6,642
Projected Overspend	809
This overspend can be broken down as follows:	
Increase in unit rates (the retendered rate includes the minimum hourly rate at least equal to the current the London Living wage rate)	680
Increase in Demand	129
Projected Overspend	809

16.3 Some additional temporary resources are being engaged to support the implementation process which will be undertaken over several months. Additional costs arising in 2015/16 will be funded within the overall Adult Social Care budget.

16.4 Over the last year, expenditure on home care has increased. Officers are working with the health service to determine whether some of this additional expenditure should legitimately be funded from health budgets.

16.5 The Department has made provision through the carry forward of underspends to fund the new contractual pressures for the last quarter of 2015/16 and the full year in 2016/17. The Department is proposing an MTFS growth bid of £820,000 from 2017/18 for the remaining lifetime of the new contracts. This will still leave budgetary pressures on the Home care service which will continue to be closely monitored with the ongoing shortfall to be addressed as part of the Financial Planning process and with the conclusion of discussions on health funding.

Implications completed by: Prakash Daryanani, H&F Head of Finance (Adult Social Care), 020 8753 2587.

Liz Bruce
Executive Director of Adult Social Care

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	All papers pertaining to this procurement (exempt)		

Contact officer(s):


Tim Lothian, ASC Procurement Manager, LB Hammersmith & Fulham, tim.lothian@lbhf.gov.uk, 020 8753 5377

Sarah Newton, Senior Commissioning Manager, Westminster City Council, snewton@westminster.gov.uk, 020 7641 3271

LIST OF APPENDICES (contained in the exempt report on the exempt Cabinet agenda):

APPENDIX A - Commercial and Technical Evaluations

APPENDIX B

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">7 SEPTEMBER 2015</p>
<p>YARROW HOUSING CONTRACT AWARD</p>	
<p>Report of the Cabinet Member for Health and Adult Social Care : Councillor Vivienne Lukey</p>	
<p>OPEN REPORT</p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Liz Bruce, Executive Director for Adult Social Care</p>	
<p>Report Author: David Goulding, Procurement & Contract Officer - ASC</p>	<p>Contact Details: Tel: 020 8753 5070 E-mail: David.Goulding@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report requests approval to waive the Contract Standing Orders to allow the Council to agree to directly award a 1 year contract with Yarrow Housing (Yarrow) from 1st October 2015 to 30th September 2016 to enable the Council to complete a comprehensive service review, and subsequent procurement, to ensure Service Users' current and future needs are met.
- 1.2. This award will allow the current arrangement in regard to the block contract for the provision of 7 supported accommodation services and 2 registered care homes to be extended by one year, with the option to extend for up to an additional 3 months should they be required to facilitate the completion of the review and procurement.

- 1.3. This contract will deliver supported accommodation and accommodation based registered care for 43 people with learning disabilities in the London Borough of Hammersmith and Fulham (LBHF).
- 1.4. The contract award will benefit the Council as it will offer service continuity and sustainability while officers, in consultation with stakeholders, develop a more personalised approach to commissioning future supported accommodation to meet local need. Local authorities have a duty under the Care Act 2014 of market shaping to ensure a viable market delivering choice for customers.
- 1.5. Yarrow has agreed to deliver savings of at least £33,722 over the core contract extension period. There are on-going discussions between the Council and Yarrow to realise further efficiency savings.

2. RECOMMENDATIONS

- 2.1. To waive the Contract Standing Orders that require a minimum of five tenders to be sought for contracts of £172,514 or greater total estimated value to allow the Council to directly award a contract to Yarrow from 1st October 2015 to 30th September 2016.
- 2.2. To directly award a contract for 12 months with a maximum annual contract value of up to £2,664,019 to Yarrow, the incumbent provider, under the existing terms and conditions of the existing contract, with an option to extend, if approved, for a period of up to 3 months at a maximum contract value of £666,005.
- 2.3. That the authority to realise any additional contract efficiency savings during the term of the contract, as noted in section 1.5 of the report, be delegated to the Cabinet Member for Health and Adult Social Care, in consultation with the Executive Director of Adult Social Care.
- 2.4. To delegate the authority to the Cabinet Member to vary the interim contract should the 3 month additional period be required.

3. REASONS FOR DECISION

- 3.1. This contract meets the Council's statutory duty to provide supported accommodation to people with learning disabilities. A strategic review has identified continued high demand for this type of service. The continuation of this service is beneficial to the Council as it is effective in helping customers remain in their local community with appropriate support, improving their health and well-being and building skills for independence, whilst preventing them having to be placed in costly out of borough settings. As there is no contractual provision to extend, a direct award of contract is therefore required to ensure the Council meets its statutory obligations.
- 3.2. As outlined in section 5 and 6 of this report (as set out in both open and exempt reports), in order for the Council to meet their statutory duty to provide this

service, the project team believe this is the best option available.

- 3.3 A year long extension of existing terms is sought to enable the Council to undertake a comprehensive and holistic service review to ensure the service can meet the changing needs of the current cohort and future customers. The Care Act 2014 gives local authorities a duty to shape the market to ensure customers have a variety of options to consider when making up their personal support plan. The Care Act also requires local authorities to ensure the availability of a range of methods through which people with care and support needs are able to manage their personal budgets.
- 3.4 The additional 12 month period would enable the Council to: work with Yarrow and other providers in the market to develop approaches to, and respond to, the changing needs of the cohort (which includes increasing physical disabilities and complex needs) and the new personalised models of purchasing care that the Care Act demands; benchmark service provision and undertake research to identify best practice regarding building provision; carry out complex consultations and discussions with the customers, many of whom are party to assured tenancy agreements and lack capacity to understand any proposed changes; agree a service model; and finally go back out to market to procure the agreed services. Details of the streamlined project timetable we would adhere to, should the recommendations be approved, is provided at clause 5.2 for reference. The additional 3 month extension period is sought to provide some contingency in case there is slippage in this timetable.
- 3.5 A shorter extension period is not considered viable owing to the complexities of the service, as detailed at clause 6.2 (as set out in both open and exempt reports).
- 3.6 Extending contractual provision with the existing provider, who is seen to be of strategic importance in assisting people with learning disabilities to remain in the community, will enable the Council to focus on the complex remodelling of the service that is required to ensure people with learning disabilities across LBHF continue to receive high quality personalised support in the coming years.

4. BACKGROUND

- 4.1 As part of the LBHF Accommodation and Support Strategy for People with Learning Disabilities 2013 – 2016 (The Strategy), a needs analysis and supply mapping of current local housing and accommodation was undertaken. One of its key findings was that an estimated 86 people with learning disabilities would require supported housing services over the next three years. This is a result of: people transitioning from Children's Services to Adult Services; existing customers returning from expensive out of borough placements; and new customers needing to move from their current housing either because their housing no longer meets their needs, or their ageing carers can no longer support them.
- 4.2 The Strategy demonstrates the commitment of Adult Social Care, Housing and Health to work collaboratively to meet local priorities to improve the health and

independence of people with learning disabilities by offering greater local choice of housing and support options as alternatives to residential care.

- 4.3 LBHF has a limited range of housing models available which offer people the opportunity to live independently in their own home whilst sharing support. Evidence nationally and from other London boroughs shows that significant savings can be achieved by moving from models of residential care to supported living.
- 4.4 The Project Board has developed an action plan which highlights short, medium and long-term actions to remodel housing options in the borough. This will be done by working with Yarrow and other providers to identify emerging needs in their customer group and collaborating with staff and customers about how we improve the local housing offer.

5. PROPOSAL AND ISSUES

- 5.1 It is proposed that Cabinet agrees to directly award a contract to Yarrow for 12 months from 1st October 2015 to 30th September 2016, with the option to extend for up to a further 3 months if required and to be subsequently approved by the Cabinet Member.
- 5.2 The 12 month extension will allow more time to complete the review and procure the remodelled service as outlined below:

Placement of Prior Information Notice explaining that ASC will commit to this timetable and undertake a thorough service review which will result in market activity in 2016.	July 2015
Carry out a strategic review of current service and alternative options including: liaising with stakeholders (service users, carers, operational teams, and providers); exploring options with the market; benchmarking with other Councils; reviewing research and best practice regarding buildings, personalisation and other key service factors; and forecasting need. Develop new service model using review findings.	Now – end of October 2015
Service model including outline procurement strategy presented to CoCo, Adults Leadership Team and the Cabinet Member for sign-off to commence formal consultation	End of October 2015 – Mid November 2015
Formal consultation with: <ul style="list-style-type: none"> - Service Users – including advocates and carers where necessary - Stakeholders - The market - Yarrow staff - Operational staff 	Mid November 2015 – End of January 2016

Report back to service users, carers and stakeholders and the Cabinet Member on outcome of consultation and final agreed services model (following ALT approval)	End of January 2016 to Mid-February 2016.
Final procurement strategy and competition documents developed and signed off by CoCo, CAB and Cabinet Member	Mid February 2016 to End of March 2016
Go out to market	Early April 2016
Live Tender period, evaluation and award process	Early April 2016 to Mid July 2016
Implementation period including: <ul style="list-style-type: none"> - Building and resources put in place - Handover period between old and new provider including customers, family members and care staff - Staff transfer to new provider (if applicable) - Operational service transfer 	Mid July 2016 to late September 2016
Contract Start	1 st October 2016

- 5.3 Officers consider that this contract period will provide continuity and stability to part of the housing pathway while The Project Board works to plan, design and deliver an innovative pathway of accommodation opportunities for people with learning disabilities. A period of core market stability would also provide continuity for customers and enable the Council, in partnership with Yarrow and other providers, to develop the full range of models of supported accommodation that are required to meet the emerging needs of this cohort.

6. OPTIONS AND ANALYSIS

- 6.1 **The proposed recommendation: Directly Award a Contract for One Year (1st October 2015 to 30th September 2016) with an option to extend for up to a further three months if approved (the proposed option)**

Directly awarding a contract for one year from 1st October 2015 to 30th September 2016 will allow the Council to review and remodel supported accommodation service provision, as outlined in section 5, so that the new service can best meet the needs of current and future customers. As noted previously, this review is essential if the Council is to continue to provide high quality care to vulnerable residents of the borough via this statutory provision.

- 6.2 **Directly Award a Six Month Extension (1st October 2015 to 31st March 2016) to procure a new service for 12 months under the same specification, and then procure a new service after completion of the review**

6.3 Append the contract to an existing service

6.4 Do Nothing

The Council has a statutory obligation to provide supported accommodation to people with learning disabilities, which this contract meets. As the current contract is due to expire on 30 September 2015 to do nothing would breach the Council's statutory duties. This option would also pose a risk to vulnerable customers if alternative arrangements are not in place before the contract ends. There is also a risk to the Council of operating out of contract as the service provision will not immediately cease with the expiration of the contract. This option is not recommended.

7. RISK

7.1 Adult Social Care are responsible and accountable for risk management within their service. This would include the strategic risks associated with the report content as noted on the Shared Services risk register. A direct award may be seen as contrary to the Council's Contract Standing Orders and EU Procurement Regulations. The department should therefore be confident that they are aware of, and accept, the risks of any potential challenge to a direct award being made. Market testing, achieving best value to the taxpayer is a strategic risk, number 4 on the register, service continuity is number 6 on the Shared Services risk register.

7.2 Risk Implications completed by: Michael Sloniowski, Risk Manager, 020 8753 2587.

8. CONSULTATION

8.1 Mencap conducted a consultation with customers and their families in December 2013 to identify needs around accommodation for people with learning disabilities. The recommendations from this consultation have been incorporated into the LBHF Accommodation Strategy for People with Learning Disabilities.

8.2 The social work team gain the customers' views via annual review to ensure the service is meeting their needs.

8.3 Collaborative work is on-going with the Learning Disabilities Housing Sub Group which consists of Mencap staff, parent carers and customer representatives.

8.4 As noted throughout the report, a thorough consultation will be carried out with customers and all relevant stakeholders during the review process to ensure the service can meet the needs and wishes of the current cohort and future customers.

9. PROCUREMENT & IT STRATEGY IMPLICATIONS

- 9.1 Section 3 paragraph 12.3 of the Contract Standing Orders states that for contracts of £172,514 or greater total estimated value, a minimum of five tenders should be sought and Cabinet is responsible for award.
- 9.2 Approval for a waiver of the requirement to conduct a competitive exercise is being sought in order to directly award a contract to the existing service provider to ensure service continuity while the Council undertakes the strategic wholesale review of Learning Disability supported accommodation. A waiver is being sought in accordance with Section 3 of the Contract Standing Orders which states that a prior written waiver to these CSOs may be agreed by the appropriate persons if they are satisfied that a waiver is justified insofar as they relate to the Council's own competition rules governing quotes and tenders.
- 9.3 However, there can be no waiver of the legal requirements contained in the Public Contract Regulation 2015 which requires all Social and Other Specific Services that have an estimated value exceeding € 750,000 (i.e. £625,050) to be subject to an open, transparent and non-discriminatory procurement process.
- 9.4 Failure to comply with the Regulations may lead to the decision being challenged. The options available to the court would be to declare the contract with Yarrow ineffective, and may order it to be terminated. In addition the Council would have to pay damages and civil financial penalty (i.e. a fine). In defending such an action the Council would spend considerable sums.
- 9.5 In light of the above, the Director for Procurement & IT Strategy supports the placing of a PIN as this should help deliver a number of positive outcomes. It:
- i) will indicate the short-term interim nature of the extension to the current arrangement;
 - ii) will signal clearly to the market the Council's intention to run a transparent fully regulated competition in 2016;
 - iii) will provide an opportunity to gain early expressions of interest from potential providers, and then engage with these so that their views can help inform both future service improvements and the commercial viability of the new service model and contract;
 - iv) should, taking the above three factors into account, whilst not remove, help reduce the risk of a challenge being brought.
- 9.6 Implications completed by Joanna Angelides, Procurement Consultant, H&F Procurement Team, FCS. 020-8753-2586.

10. EQUALITY IMPLICATIONS

- 10.1 Yarrow is a service offering supported accommodation to people with learning disabilities and is therefore a protected group. There are no equality issues associated with the recommendations in this report. The requested extension will offer service continuity and support the improvement of the local supported housing pathway, service delivery, quality and offer more choice. This recommendation should have a neutral or positive impact on people with learning disabilities in LBHF.

11. LEGAL IMPLICATIONS

- 11.1 As set out in the exempt report on the exempt Cabinet agenda.

12. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE & CORPORATE GOVERNANCE

- 12.1 This contract award covers the period 1st October 2015 to 30th September 2016 at the values of £2,664,019 and delivers savings of £33,722, as detailed in the table below. Should the option to extend for an additional 3 months be required to facilitate the completion of the procurement, an additional paper will be submitted through governance processes, to be approved by the Cabinet Member.
- 12.2 Negotiations are on-going with Yarrow Housing to deliver further efficiency savings and if realised it is requested that authority be delegated to the Cabinet Member for Health and Adult Social Care, in consultation with the Executive Director of Adult Social Care, to update the contract accordingly.
- 12.3 Financial implications completed by David Hore – Finance Manager 020 8753 4988

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	Care Act 2014 http://www.legislation.gov.uk/ukpga/2014/23/contents/enacted Care Act 2014: statutory guidance for implementation (published)	Linda Burke, Commissioner Linda.Burke@lbhf.gov.uk 020 8753 1631	

LIST OF APPENDICES: None

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 7 SEPTEMBER 2015 AND AT FUTURE CABINET MEETINGS UNTIL APRIL 2016

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. 35 (published 7 August 2015)

KEY DECISIONS LIST - CABINET ON 7 SEPTEMBER 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>
7 September				
Cabinet	7 Sep 2015	<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>	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	7 Sep 2015	<p>Procurement of Energy - Flexible 2016 - 2020 and FTFP 2016 - 2018</p> <p>Contract renewal of Energy procurement with LASER.</p>	Cabinet Member for Finance, Councillor Lisa Homan	A detailed report for this item will be available at least five working days before the date of the meeting and
	Reason: Affects 2 or more wards		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
		<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<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>	<p>will include details of any supporting documentation and / or background papers to be considered.</p>
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: Hitesh Jolapara, Gary Ironmonger Tel: 020 8753 2109 hitesh.jolapara@lbhf.gov.uk, Gary.Ironmonger@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>
Cabinet	<p>7 Sep 2015</p> <p>Reason: Expenditure more than £100,000</p>	<p>Corporate Revenue Monitor 2014-15 Outturn</p> <p>Presents the 2014-15 outturn revenue accounts</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>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>7 Sep 2015</p> <p>Reason: Expenditure</p>	<p>Capital Outturn 2014-15</p> <p>A summary of the Council's Capital Expenditure for 2014-15 including slippage requests to future years</p>	<p>Cabinet Member for Finance</p> <p>Ward(s): All Wards</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and</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)
	more than £100,000		Contact officer: Hitesh Jolapara, Christopher Harris Tel: 020 8753 6440 hitesh.jolapara@lbhf.gov.uk, Harris.Christopher@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
Cabinet Full Council	7 Sep 2015 21 Oct 2015 Reason: Affects 2 or more wards	Treasury Report 2014/15 Outturn This report presents the Council's Outturn Treasury Report for 2014/15 in accordance with the Council's treasury management practices.	Cabinet Member for Finance Ward(s): All Wards Contact officer: Halfield Jackman Halfield.Jackman@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	7 Sep 2015 Reason: Expenditure more than £100,000	Off-site Records Storage Service Contract Seeking two 1 year extensions to the Off-site Records Storage Service Contract which expires on 31 March 2016 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 Finance Ward(s): All Wards Contact officer: Jackie Hudson, Ciara Shimidzu Tel: 020 8753 2946, Tel: 0208 753 3895 Jackie.Hudson@lbhf.gov.uk, Ciara.Shimidzu@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	7 Sep 2015	Electric Vehicle Charging Points - Agreement with Bluepoint Seeks authority to enter into an agreement with Bluepoint London Limited to secure the installation and maintenance of electric vehicle charging points in the borough.		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	7 Sep 2015	Yarrow Housing Contract Award Request for approval to waive Council Standing Orders to allow the Council to directly award a one year contract to Yarrow Housing from 1st October 2015 to enable the Council to complete a service review and procurement. The award will allow the current arrangement for the provision of seven supported accommodation services and two registered care homes for people with learning disabilities to be extended for one year with the option to extend for up to an additional three months to facilitate the completion of the review and procurement. 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	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
12 October				
Cabinet	12 Oct 2015 Reason: Affects 2 or more wards	<p>London Borough of Hammersmith & Fulham Cycling Strategy</p> <p>The Cycling Strategy sets out how the London Borough of Hammersmith & Fulham will improve the quality and extent of provision for cyclists, encourage more people to use bicycles, increase the number of journeys made by cycle, and improve public health outcomes.</p> <p>In order to achieve this, the Cycling Strategy develops an Action Plan that can be used to direct funding in a way that responds to the cycling needs of Hammersmith and Fulham residents / businesses.</p> <p>The Cycling Strategy is not a statutory document. However it has been identified as playing a crucial role in reducing congestion on our roads, relieving pressure on the public transport system, and improving the health of residents and visitors.</p>	<p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Richard Duffill Tel: 02087531976 Richard.Duffill@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	12 Oct 2015 Reason: Income more than £100,000	<p>Land adjoining 95 Goldhawk Road</p> <p>Disposal of surplus land.</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</p>	<p>Cabinet Member for Housing</p> <p>Ward(s): Hammersmith Broadway</p> <p>Contact officer: James Adam Tel: 020 8753 2833 James.Adam@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
		outweighs the public interest in disclosing the information.		
Cabinet	12 Oct 2015 Reason: Expenditure more than £100,000	<p>Carers Hub Hammersmith & Fulham</p> <p>Report to extend the Carers Hub Service with Carers Network</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: Selina Douglas Tel: 0208 753 6235 Selina.Douglas@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	12 Oct 2015 Reason: Expenditure more than £100,000	<p>Sexual and Reproductive Health Recommissioning</p> <p>Approval to proceed to recommissioning report to reprocore community sexual health services across H&F, RBKC and WCC.</p>	<p>Cabinet Member for Health and Adult Social Care</p> <p>Ward(s): All Wards</p> <p>Contact officer: Gaynor Driscoll Gaynor.Driscoll@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	12 Oct 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>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

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
		<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>		papers to be considered.
Cabinet	<p>12 Oct 2015</p> <hr/> <p>Reason: Income more than £100,000</p>	<p>Fire Alarms and Emergency lighting & testing</p> <p>To give delegated authority to Award</p>	<p>Cabinet Member for Housing</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Henrietta Jacobs Tel: 020 8753 3729 Henrietta.Jacobs@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>12 Oct 2015</p> <hr/> <p>Reason: Income more than £100,000</p>	<p>ICM Creation of Local Government Trading Company</p> <p>In line with the divisional business plan to income generate through commercial activity with external organisations there is a requirement to set up a LGTC (with shares) to channel and manage this activity.</p>	<p>Cabinet Member for Finance</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: David Bennett Tel: 0208 753 1628 David.Bennett@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>12 Oct 2015</p> <hr/> <p>Reason: Expenditure more than</p>	<p>Financial Management Of Fulham Palace Trust</p> <p>A request has been received from Fulham Palace Trust (FPT) for the Council to fund a pension deficit</p>	<p>Leader of the Council</p> <hr/> <p>Ward(s): Palace Riverside</p>	A detailed report for this item will be available at least five working days before the date of the meeting and

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	£100,000	relating to staff transferred from the Council to FPT by TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) in 2011. In addition FPT has asked the Council to consider allocating section 106 funding to FPT. This report reviews the historic and current financial performance of FPT and considers the funding requests from FPT.	Contact officer: Sue Harris, Thomas Baylis Tel: 020 8753 4295, Sue.Harris@lbhf.gov.uk, thomas.baylis@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	12 Oct 2015 Reason: Expenditure more than £100,000	Request to investigate the funding and procurement of outdoor gym and play equipment at Wormwood Scrubs Requests permission to 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.	Cabinet Member for Environment, Transport & Residents Services Ward(s): College Park and Old Oak Contact officer: Heather Marsh, David Page Tel: 020 8753 6883, Tel: 020 8753 2125 HEATHER.MARSH@lbhf.gov.uk, david.page@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	12 Oct 2015 Reason: Affects 2 or more wards	Corporate Strategy 2015-18 A new Corporate Plan for H&F, setting seven key priorities and new corporate objectives to deliver on over the next three years.	Leader of the Council Ward(s): All Wards Contact officer: Peter Smith Tel: 020 8753 peter.smith@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	7 Sep 2015 Reason: Expenditure more than £100,000	Renewal of Contract for the provision of collection, counting and banking of monies from Pay and Display machines This paper seeks approval to extend the contract with RBKC for cash collection from Pay and Display machines until 31st August 2016.	Cabinet Member for Environment, Transport & Residents Services Ward(s): All Wards Contact officer: David Taylor, Matt Caswell Tel: 020 8753 2708	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

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		<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>	david.taylor@lbhf.gov.uk, Matt.Caswell@lbhf.gov.uk	background papers to be considered.
Cabinet	<p>12 Oct 2015</p> <p>Reason: Expenditure more than £100,000</p>	<p>Corporate Revenue Monitor Report 2015/16 Month 4 - July</p> <p>To present the forecast outturn position as at the end of July. To request budget virements.</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>12 Oct 2015</p> <p>Reason: Expenditure more than £100,000</p>	<p>TfL funded annual integrated transport investment programme 2016/17</p> <p>This report refines and details the Council's integrated transport programme which forms part of the council's 2011 – 2031 Transport Plan (Local Implementation Plan 2 or LIP2) to be delivered in 2016/17 and funded entirely by Transport for London (TfL). This report seeks the approval of the submission of the programme to TfL and the design, consultation and implementation of various elements of the programme. It further seeks approval for the delegation of the approval of construction of the capital</p>	<p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Nick Boyle Tel: 020 8753 3069 nick.boyle@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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		programme to the Cabinet Member for Environment, Transport and Residents Services.		
Cabinet	12 Oct 2015 Reason: Expenditure more than £100,000	<p>Multidisciplinary Family Assessment Service - Contract Award</p> <p>Approval to award a contract for a multi-disciplinary family assessment service following a procurement exercise</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Children and Education</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Matthew Jones Tel: 020 7361 2001 Matthew.Jones@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.
Cabinet	12 Oct 2015 Reason: Expenditure more than £100,000	<p>Capital Development Voids</p> <p>To get authorisation to proceed with a number of development voids to bring additional housing units onto the rental path.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Housing</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Stephen Kirrage Tel: 020 8753 6374 stephen.kirrage@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	12 Oct 2015	<p>Community Sexual Health Contract Extensions</p> <p>This report details the proposals for community sexual health contract extensions.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	12 Oct 2015	<p>Procurement of a framework agreement for lift modernisation programme within housing properties -Borough wide</p> <p>Framework for lift modernisation programme</p>	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	12 Oct 2015	<p>Leasing of Further Accommodation at Clancarty Road to the Lycee Charles de Gaulle</p> <p>Proposal for Supplemental Lease and Changes to Existing Lease at Former Peterborough Road School and Link with Bilingual Provision</p>	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Income more than £100,000		Ward(s): All Wards	

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2 November				
Cabinet	2 Nov 2015	<p>Improving Private Rented Housing in the borough</p> <p>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</p>	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	2 Nov 2015	<p>Borough-wide 20 mph limit</p> <p>The report details;</p> <p>(i) evidence of the operation of 20 mph limits in the UK to date, (ii) the results of public consultation on a possible Borough-wide 20 mph limit in H & F, (iii) results of technical appraisals within H & F.</p> <p>The report will make a recommendation and will seek Cabinet approval on:</p> <p>a. whether to install a 20 mph speed limit Borough-wide (excepting Transport for London roads), or b. whether to install more 20 mph speed limits in the Borough excepting some Borough roads, or c. not to proceed with further 20 mph speed limits.</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	2 Nov 2015	<p>Corporate Revenue Monitor 2015/16 Month 5 - August</p> <p>To report the forecast revenue outturn position as at the end of August. To request budget virements</p>	Cabinet Member for Finance	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background
	Reason: Expenditure more than £100,000		Ward(s): All Wards	

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			uk, hitesh.jolapara@lbhf.gov.uk	papers to be considered.
Cabinet	2 Nov 2015 Reason: Affects 2 or more wards	Adoption of the Council's Housing Allocation Scheme; Tenancy Strategy: and Home Buy Allocation Scheme Adoption of the three documents following consultation with interested parties from 29 June 2015 to 16 September 2015.	Cabinet Member for Housing Ward(s): All Wards Contact officer: Aaron Cahill Tel: 020 8753 1649 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	2 Nov 2015 Reason: Affects 2 or more wards	Borough wide 20mph speed limit consultation This report summarise the consultation results and officers recommendation for the Borough wide consultation on 20mph speed limit carried out during the summer 2015. On 3 October the Cabinet approved the 2015-16 Transport for London (TfL) funded integrated transport programme which included £200,000 to carry out a feasibility study and consultation on a boroughwide 20mph speed limit.	Cabinet Member for Environment,Transport & Residents Services Ward(s): All Wards Contact officer: Slobodan Vuckovic Slobodan.Vuckovic@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	2 Nov 2015 Reason: Expenditure more than £100,000	Community Asset Proposal Report seeking authority to secure and protect the use of properties for community use 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	Leader of the Council Ward(s): All Wards Contact officer: Sue Spiller Tel: 020 8753 2483 sue.spiller@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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		maintaining the exemption outweighs the public interest in disclosing the information.		
11 January 2016				
Cabinet	11 Jan 2016	Hammersmith & Fulham Arts Strategy 2015 - 2022 Hammersmith and Fulham is home to a cutting edge and vibrant arts and culture scene. We want to grow our dynamic and diverse landscape so that the creativity, production and skills development of the arts boosts our creative economy. In this paper we highlight the economic benefits of being a destination for the creative industries and the health and social benefits of participating in and creating art - from singing with dementia patients to offering diversionary activities for troubled teenagers. We also summarise our progress to date and set out our suggested actions and priorities for the future.	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: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	11 Jan 2016	Corporate Revenue Monitor 2015/16 Month 6 - September To report the forecast revenue outturn position as at end of September. To request budget virements.	Cabinet Member for Finance	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	11 Jan 2016	Corporate Revenue Monitor 2015/16 Month 7 - October To report the forecast revenue outturn at end of October 2015. To request budget virements.	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
	Reason: Affects 2 or more wards		Ward(s): All Wards	
			Contact officer: Gary Ironmonger, Hitesh Jolapara	

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			Tel: 020 8753 2109, Gary.Ironmonger@lbhf.gov.uk, hitesh.jolapara@lbhf.gov.uk	background papers to be considered.
8 February 2016				
Cabinet	8 Feb 2016 Reason: Expenditure more than £100,000	Corporate Planned Maintenance Programme 2016/2017 Budget Approval 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 Finance Ward(s): All Wards Contact officer: Nigel Brown Nigel.Brown@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	8 Feb 2016 Reason: Affects 2 or more wards	Corporate Revenue Monitor 2015/16 Month 8 November To report the forecast revenue outturn position as at the end of November. To request budget virements.	Cabinet Member for Finance Ward(s): All Wards Contact officer: Gary Ironmonger, Hitesh Jolapara Tel: 020 8753 2109, Gary.Ironmonger@lbhf.gov.uk, hitesh.jolapara@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.
7 March 2016				
Cabinet	7 Mar 2016 Reason: Affects 2 or more wards	Corporate Revenue Monitor 2015/16 Month 9 - December To report the revenue outturn forecast as at the end of December. To request budget	Cabinet Member for Finance Ward(s): All Wards	A detailed report for this item will be available at least five working days before the date of the meeting and

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		virements.	Contact officer: Gary Ironmonger, Hitesh Jolapara Tel: 020 8753 2109, Gary.Ironmonger@lbhf.gov.uk, hitesh.jolapara@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
11 April 2016				
Cabinet	11 Apr 2016 Reason: Affects 2 or more wards	Corporate Revenue Monitor 2015/16 Month 10 - January To report the forecast outturn position as at the end of January. To request budget virements	Cabinet Member for Finance Ward(s): All Wards Contact officer: Gary Ironmonger, Hitesh Jolapara Tel: 020 8753 2109, Gary.Ironmonger@lbhf.gov.uk, hitesh.jolapara@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.