

Cabinet

Agenda

MONDAY
5 SEPTEMBER 2016
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
25 August 2016

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 (17 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 **4-13** on this agenda using the Council's Deputation Request Form. The completed Form, to be sent to Kayode Adewumi at the above address, must be signed by at least ten registered electors of the Borough and will be subject to the Council's procedures on the receipt of deputations. **Deadline for receipt of deputation requests: Wednesday 31 August 2016.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 7 September 2016**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Monday 12 September 2016 at 3.00pm**. Decisions not called in by this date will then be deemed approved and may be implemented.

A confirmed decision list will be published after 3:00pm on **Monday 12 September 2016**

Cabinet Agenda

5 September 2016

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| 1. | MINUTES OF THE CABINET MEETING HELD ON 4 JULY 2016 | 1 - 14 |
| 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> | |
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| 7. | ICT TRANSITION PHASE 4 - AUTHORITY TO NOVATE ICT CONTRACTS FROM HFBP TO THE COUNCIL AND OTHER PROVIDERS | 91 - 100 |
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| 14. | FORWARD PLAN OF KEY DECISIONS | 201 - 219 |
| 15. | 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.

| | | |
|------------|--|--|
| 16. | EXEMPT MINUTES OF THE CABINET MEETING HELD ON 4 JULY 2016 (E) | |
| 17. | ICT TRANSITION PHASE 4 - AUTHORITY TO NOVATE ICT CONTRACTS FROM HFBP TO THE COUNCIL AND OTHER PROVIDERS : EXEMPT ASPECTS (E) | |
| 18. | CONTRACT AWARD FOR STATUTORY DOCUMENT PRINTING, PAYMENT PROCESSING AND CORRESPONDENCE SCANNING SERVICES FOR PARKING SERVICES : EXEMPT ASPECTS (E) | |
| 19. | CALL-OFF FROM CCS FRAMEWORK (RM1013) FOR THE PROVISION OF TRANSPORT FUEL : EXEMPT ASPECTS (E) | |

London Borough of Hammersmith & Fulham

Cabinet Minutes



Monday 4 July 2016

PRESENT

Councillor Michael Cartwright, Deputy Leader
Councillor Stephen Cowan, Leader of the Council
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

13. MINUTES OF THE CABINET MEETING HELD ON 6 JUNE 2016

RESOLVED:

That the minutes of the meeting of the Cabinet held on 6 June 2016 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

14. APOLOGIES FOR ABSENCE

RESOLVED:

Apologies for Absence were received from Councillor Ben Coleman. Apologies for lateness were received from Councillor Wesley Harcourt.

15. DECLARATION OF INTERESTS

RESOLVED:

There were no declarations of interest.

16. GEOGRAPHICAL INFORMATION SYSTEMS - PLATFORM CONSOLIDATION

RESOLVED:

- 1 That approval be given to the award of an Enterprise Licence Agreement to ESRI UK for a period 3 years in accordance with section 10 of this document and of total estimated value of as set out in the exempt report on the exempt Cabinet agenda (for 3 Councils over 3 years), and delegate to the Chief Information Officer the authority to sign an Inter-Authority Agreement through which RBKC and WCC will recompense LBHF for these GIS services
- 2 That the Cabinet Member for Finance approves the transition cost of £37,700 (HFBP WPR75430), to be met from Efficiency Reserve budgets, and delegate to the Chief Information Officer the authority to sign an Inter-Authority Agreement through which future LBHF GIS software and platform services will be delivered.

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.

17. CONTRACT FOR CREDIT AND DEBIT CARD MERCHANT SERVICES

RESOLVED:

1. That approval be given for the Council to access the Crown Commercial Service framework agreement and to award a new call off contract for the provision of credit and debit card services including authorisation, chip and pin equipment hire and optional facilities for payment processing.
2. That approval be given to award the contract to Barclays Bank PLC t/a Barclaycard, as the most suitable supplier in terms of overall service provision. The proposed contract will be for an initial term of three years commencing on 9th December 2016, with an option to extend for two further one year periods, and a maximum contract term of five years.
3. To note that transaction volumes will accumulate across contracts awarded to Barclaycard during the life of the framework and should generate additional savings as the number of call off contracts increase.

4. To note that a monitoring system will be put in place when the contract commences to assess ongoing transactional activity and value for money.

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. FRAMEWORK CALL-OFF FOR RENTAL OF HAMMERPRINT DIGITAL COPIERS

RESOLVED:

1. That approval be given for the London Borough of Hammersmith & Fulham ("LBHF") to call-off, with effect from 1 October 2016, from the Print and Document Management Services framework awarded by Westminster City Council to Rioch UK Limited, for four high-volume copiers for Hammerprint, such call off contract to be for a period of three years.
2. That approval be given for (i) the Minimum Period Rental Agreement and (ii) the Services and Software Licence between H&F Bridge Partnership Limited ("HFBP") and Xerox (UK) Limited ("Xerox") each dated 27 November 2013 (together the "Xerox Agreement") to be novated from HFBP to LBHF with effect from 31 October 2016.
3. That approval be given for LBHF to instruct HFBP to give notice to Xerox to terminate the Xerox Agreement at the end of its minimum 3 year term, being 31 November 2016.

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. DEVELOPMENT OF A RESOURCE CENTRE AND RE-BUILD OF SEN UNIT AT THE QUEEN'S MANOR SCHOOL SITE

RESOLVED:

1. That approval be given to the development of the provision on the Queen's Manor site as proposed below, subject to the appropriate Listed Building Consent and Planning Permission.
2. That approval be given to contribute up to £6m. That Cabinet gives approval to delegate authority to the Strategic Director of Finance to agree the mixture of funding (Section 106, capital receipts or borrowing).
3. That approval be given to agree the sum of £241,000 to fund project and specialist resources to facilitate the development of the Resource Centre service offer.
4. That approval be given to the appointment of 3BM Education Partners as design authority and project managers to oversee the project for the design and build of the provision. These works are supplemental to the original contract with 3BM and will be managed accordingly.
5. That approval be given to delegate to the Cabinet Member for Children and Education, the appointment of a construction contractor up to £5m, subject to: i) a fully regulated procurement process having been followed; ii) the scope being agreed; iii) the costs being within budget and no more than 10% of the pre-tender estimate.
6. That the Cabinet note that the establishment of a new facility will generate revenue growth which will be reported through the Smarter Budgeting programme and approved through the Medium Term Financial Strategy.

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. **GUIDANCE FOR ASSESSING YOUNG PEOPLE AGED 19 AND ABOVE FOR CONTINUING IN EDUCATION WITH AN EDUCATION HEALTH AND CARE PLAN**

RESOLVED:

To consider the draft guidelines (Appendix 1) and approve their use during the next academic year. These guidelines will be continually reviewed as the full impact of the Children and Families Act becomes more evident.

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. **CAPITAL INVESTMENT TO SUPPORT TARGETED CHILDCARE FOR TWO YEAR OLDS**

RESOLVED:

That approval be given to the investment of up to £980,000 of Dedicated Schools Grant (DSG) to create an additional 126, 15-hour places at Randolph Beresford and Melcombe schools from autumn 2016.

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. **SOCIAL CARE CASE MANAGEMENT SYSTEM CONTRACT**

RESOLVED:

1. That approval be given to extend the existing service arrangements with Servelec Corelogic Limited for provision of social care systems; and that this service continuity be achieved by:

- i) novating the existing contacts held by HFBP on the Council's behalf to H&F when the Hammersmith and Fulham Bridge Partnership (HFBP) ceases to exist after 31st October 2016 , and
- ii) upon expiry of the contracts referred to in 2.1 further contract with Servelec Corelogic for a Children's and Adults social care system from 17th January 2017, with directly awarded contracts between Corelogic and the Council.

Such contracts to be on the same terms as the existing contracts. Such contracts to be for a term until 16 January 2020, with a two-year break clause.

2. That approval be delegated to the Cabinet Member for Health and Adult Social Care on the decision to upgrade to Mosaic; this decision will take place after a more detailed review to ensure Mosaic can meet our digital ambitions.
2. That approval be given for the release of capital funds up to the sum of £200,000 from the 2016/17 investment programmes for Adult Social Care (ASC) to fund the upgrade of Frameworki to Mosaic should the decision be made by the Cabinet Member for Health and Adult Social Care to upgrade to Mosaic.

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. DIRECT AWARD OF A CONTRACT FOR A LEARNING DISABILITY (LD) SERVICE AND EARLY TERMINATION OF THE CONTRACT FOR A LD SERVICE

RESOLVED:

- 1 To note that the recommendations in this report will align the end dates for learning disabilities accommodation services across the three boroughs to allow for a phased introduction of a proposed new model for learning disabilities services between 1st April 2017 and 30th June 2017.
- 2 That in accordance with table 3.1 of the H&F Contract Standing Orders, the Cabinet Member for Health and Adult Social Care and the Leader of the Council agrees to waive the H&F Contract Standing Orders to allow

the contract for learning disabilities services detailed in Table 2.3.1 to be extended to 30th June 2017 by means of direct award to the existing provider.

- 3 That in accordance with H&F Contract Standing Orders, the H&F Cabinet agree to the direct award of a contract as detailed in Table 2.3.1

Table 2.3.1

| Provider | Contract | Length of extension | Value of extension |
|----------------|-------------------|---|--------------------|
| Yarrow Housing | 9 Homes, 43 units | 1 st October 2016 - 30 June 2017 | 2,023,305 |

- 4 That in accordance with section 20.4.1 of the Contract Standing Orders H&F Cabinet agrees to utilise the break clauses for the contract with Metropolitan Support Trust for 12 supported living units in order to bring forward the end date from 30th September 2017 to 30th June 2017.

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. COMMUNITY EQUIPMENT - PROCUREMENT OF A NEW FRAMEWORK AGREEMENT AND EXTENSION OF THE EXISTING SERVICE

RESOLVED:

1. That authority be delegated to the Cabinet Member for Adult Social Care and Public Health to approve the extension of the contract with Medequip from 1st April 2017 to 30th September 2017 for the provision of Community Equipment at an estimated value of £881,000.
2. That the Procurement Strategy set out in the Appendix to this report (as set out in the exempt report on the exempt Cabinet agenda), including that the London Borough of Hammersmith and Fulham acts as the Lead Contracting Authority for the procurement of a Framework for Community Equipment which can be accessed by all public authorities in London.
3. That authority be delegated to the Cabinet Member for Adult Social Care and Public Health to award a Framework Agreement with the successful provider for four years from 1st October 2017, with an estimated total value

of up to £170 million over the four year term (including spend from 20 London Boroughs which are likely to access this agreement).

4. That a waiver from H&F standing orders be granted and authority delegated to the Cabinet Member for Adult Social Care and Public Health, the Cabinet Member for Finance, and the Cabinet Member for Resident Satisfaction and Commercial Revenue to award a call-off contract from the Framework Agreement to the successful provider at an estimated annual cost of £2 million, or £8 million over the initial four year term; and that award of the contract be contingent upon the submission of an agreed Social Value and Local Economic Benefits Plan from the successful contractor.
5. To agree that the Framework will have a duration of 4 years and call-off contracts under the Framework will have an initial duration of 4 years, with extensions to each call-off of up to a further 2 years being available as an optional modification permitted by Reg. 72 (1)(a) of the Public Contracts Regulations (PCR) 2015.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

25. PUBLIC HEALTH DOMESTIC VIOLENCE PREVENTION SERVICES - CONTRACT EXTENSIONS

RESOLVED:

1. That approval be given to a waiver in accordance with paragraph 3 of the Contract Standing Orders to waive the requirement to seek tenders in accordance with paragraph 11 of the Contract Standing Orders, in order to allow LBHF to provide an extension to the contract to STADV for a further period of two years (one year + one year) effective from 1 April 2016 to expire on 31 March 2018 for a total contract value of £132,000.
2. That approval be given to a waiver in accordance with paragraph 3 of the Contract Standing Orders to waive the requirement to seek tenders in accordance with paragraph 11 of the Contract Standing Orders in order, to allow LBHF to provide an extension to the contract to ADVANCE Advocacy Service for a further period of two years (one year + one year) effective from 1 April 2016 to expire on 31 March 2018 for a total contract value of £121,200.

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. HAMMERSMITH & FULHAM LOCAL PLAN: PROPOSED SUBMISSION

The Leader noted that since the Local Plan report was submitted for the agenda publication, further amendments were made to the document in consultation with Councillor Vincent and Councillor Jones. The amendments were detailed on the cover note and circulated to all Cabinet Members together with a revised copy of the Local Plan (Appendix 1).

Councillor Cartwright requested clarification on the page numbers the cover note referred to as they did not match the Cabinet agenda page numbers. Matt Butler explained that they referred to the ones on the actual Local Plan (Appendix 1), printed on the top of the document.

RESOLVED:

1. That endorsement be given to the proposed submission Local Plan (see amended Appendix 1 published with the supplementary agenda) and changes to the Proposals Map (see Appendix 2), with a view that the documents and other associated submission documents required by the Town and Country Planning (Local Planning) (England) Regulations 2012 ('the Regulations') are commended to full Council for approval and made available for a minimum 6 weeks for public consultation commencing on 22 July 2016 or as soon as possible thereafter.
2. That the Director of Planning and Development in consultation with the Cabinet Member for Environment, Transport & Residents Services, is authorised to approve any technical and other minor amendments to the submission documents:
 - a) before public consultation; and
 - b) after, or in response to, public consultation, and before submission to the Secretary of State for independent examination.
3. Following public consultation and the incorporation of any technical and other minor amendments to the submission documents, that authority is delegated to officers to submit the proposed submission Local Plan to

the Secretary for Examination and to take such further steps as are appropriate and in accordance with the Council's statutory duties.

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. MODIFICATION TO ENHANCED POLICING AGREEMENT

RESOLVED:

That approval be given to the modification of the terms of the Enhanced Policing Team (EPT) contract with the Mayor's Office for Policing and Crime (MOPAC) to increase the provision of police officers from 44 to 46 from 1st September 2016 to 31st March 2018, thereby increasing the contract value by £182,000 (£67,000 for September 2016 to March 2017, £115,000 for 2017/18).

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. CREATION OF A LOCAL AUTHORITY TRADING COMPANY

RESOLVED:

1. That approval be given to the Commercial Director to establish a private limited company to be owned wholly and exclusively by the Council with initial up-front funding of £5,000.
2. That the company shall be called LBHF Ventures Limited or such other name as the directors of the Company may determine in consultation with the Cabinet Member for Commercial Revenue and Resident Satisfaction.

3. That the Commercial Director be appointed as the Managing Director of the Company and that the Cabinet Member for Commercial Revenue and Resident Satisfaction, the Cabinet Member for Finance, the Strategic Finance Director and the Director of Delivery and Value are appointed as Directors of the Company.
4. That approval be given to the Commercial Revenue Board (at its discretion) to approve business cases for delivery through the Company.
5. That authority be delegated to the Strategic Finance Director to procure the necessary insurance cover for the Council officers and members as appropriate acting on the Council's behalf in a management capacity for the Company and the Council officers who will be embedded in the Company in a non-managerial capacity.

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.

29. FORWARD PLAN OF KEY DECISIONS

RESOLVED:

The Key Decision List was noted.

30. 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.

31. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 6 JUNE 2016 (E)

RESOLVED:

That the minutes of the meeting of the Cabinet held on 6 June 2016 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

32. GEOGRAPHICAL INFORMATION SYSTEMS - PLATFORM CONSOLIDATION : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendation contained in the exempt report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

33. CONTRACT FOR CREDIT AND DEBIT CARD MERCHANT SERVICES : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendations contained in the exempt report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

34. FRAMEWORK CALL-OFF FOR RENTAL OF HAMMERPRINT DIGITAL COPIERS : 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.

35. SOCIAL CARE CASE MANAGEMENT SYSTEM CONTRACT : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendation contained in the exempt report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

36. COMMUNITY EQUIPMENT - PROCUREMENT OF A NEW FRAMEWORK AGREEMENT AND EXTENSION OF THE EXISTING SERVICE : EXEMPT ASPECTS (E)

RESOLVED:

That the Appendix and Addendum 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: 7.04 pm

Chair

| | |
|---|---|
| <p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">5 SEPTEMBER 2016</p> |  |
| <p style="text-align: center;">CORPORATE REVENUE MONITOR 2016/17 MONTH 2 – 31 MAY 2016</p> | |
| <p style="text-align: center;">Report of the Cabinet Member for Finance – Councillor Max Schmid</p> | |
| <p>Open Report</p> | |
| <p>Classification - For Decision / For Information Key Decision: Yes</p> | |
| <p>Wards Affected: All</p> | |
| <p style="text-align: center;">Accountable Director: Hitesh Jolapara – Strategic Finance Director</p> | |
| <p>Report Author: Jade Cheung – Finance Manager</p> | <p>Contact Details: Tel: 020 8753 3374 E-mail: Jade.Cheung@lbhf.gov.uk</p> |

1. EXECUTIVE SUMMARY

- 1.1. The General Fund 2016/17 outturn variance at month 2 is a projected overspend of £3.920m, with budget risks of £9.782m.
- 1.2. The Housing Revenue Account currently forecasts a breakeven outturn variance for 2016/17. HRA general reserves of £1.061m are forecast to be carried forward into 2017/18, with a HRA balance of £19.581m at year-end. The value of HRA budget risks is unknown.

2. RECOMMENDATIONS

- 2.1. To note the General Fund and HRA month 2 forecast revenue outturn variances.
- 2.2. All overspending departments to agree proposals/action plans for bringing spend in line with budget.
- 2.3. To approve the budget virements in Appendix 11.

3. REASONS FOR DECISION

- 3.1. The reason for the recommendations is to comply with the Councils' Financial Regulations.

4. CORPORATE REVENUE MONITOR (CRM) 2016/17 MONTH 2 GENERAL FUND

- 4.1. Detailed variance and risk analysis by department can be found in appendices 1 to 9 for the General Fund.
- 4.2. The favourable variance for Centrally Managed Budgets excludes any unspent contingency funds. Currently £1.2m of contingency balances are uncommitted.

Table 1: 2016/17 General Fund Projected Outturn – Month 2

| Department | Revised Budget At Month 2 £m | Forecast Year End Variance At Month 2 £m |
|------------------------------------|---------------------------------|---|
| Adult Social Care | 57.871 | 2.409 |
| Centrally Managed Budgets | 22.284 | (0.272) |
| Children's Services | 47.377 | 1.043 |
| Corporate Services | 16.589 | 0.180 |
| Controlled Parking Account | (22.458) | (0.471) |
| Environmental Services | 45.996 | 1.031 |
| Housing General Fund | 6.775 | 0 |
| Library Services (Shared Services) | 3.158 | 0 |
| Public Health Services | 0 | 0 |
| Net Total¹ | 177.591 | 3.920 |
| Key Risks | | 9.782 |

5. CORPORATE REVENUE MONITOR 2016/17 MONTH 2 HOUSING REVENUE ACCOUNT

- 5.1. The Housing Revenue Account currently forecasts a breakeven outturn variance for 2016/17 (appendix 10).

Table 2: Housing Revenue Account Projected Outturn - Month 2

| Housing Revenue Account | £m |
|---|-----------------|
| Balance as at 31 March 2016 | (18.520) |
| Add: Budgeted (Contribution)/ Appropriation to Balances | (1.061) |
| Add: Forecast Underspend | 0 |
| Projected Balance as at 31st March 2017 | (19.581) |
| Key Risks | Unknown |

¹ figures in brackets represent underspends

6. MEDIUM TERM FINANCIAL STRATEGY - EFFICIENCY SAVINGS

- 6.1. The 2016/17 budget included efficiency proposals of £15.857m. Progress against these is summarised in table 3 (and in appendices 1 to 10).

Table 3: 2016/17 Medium Term Financial Strategy - Efficiency Savings

| Department | 2016/17 Savings Target £m | Savings On Target £m | Savings In Progress £m | Savings Delayed / at risk £m |
|--|---------------------------|----------------------|------------------------|------------------------------|
| Adult Social Care | 5.321 | 1.734 | 1.333 | 2.254 |
| Centrally Managed Budgets (Council Wide Savings) | 1.050 | 0 | 1.050 | 0 |
| Children's Services | 3.227 | 2.542 | 0 | 0.685 |
| Corporate Services | 3.175 | 3.175 | 0 | 0 |
| Environmental Services | 2.799 | 1.272 | 0.990 | 0.537 |
| Housing General Fund | 0.265 | 0.265 | 0 | 0 |
| Libraries and Archives | 0.020 | 0 | 0.020 | 0 |
| Total | 15.857 | 8.988 | 3.393 | 3.476 |

7. VIREMENTS & WRITE OFF REQUESTS

- 7.1. Cabinet is required to approve all budget virements that exceed £0.1m.
- 7.2. Budget virements have been requested for the Controlled Parking Account, Housing General Fund and Environmental Services (appendix 11).
- 7.3. There were no write-off requests at month 2.

8. CONSULTATION

- 8.1. N/A.

9. EQUALITY IMPLICATIONS

- 9.1. Adjustments to budgets are not considered to have an impact on one or more protected groups so an equality impact assessment (EIA) is not required.

10. LEGAL IMPLICATIONS

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

11. FINANCIAL AND RESOURCES IMPLICATIONS

- 11.1. This report is financial in nature and the financial implications are contained within.
- 11.2. Implications verified/completed by: Jade Cheung, Finance Manager, 0208 753 3374.

12. IMPLICATIONS FOR BUSINESS

12.1. There are no implications for local businesses.

13. RISK MANAGEMENT

13.1. Details of actions to manage financial risks are contained in appendices 1-10.

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 |
|-----|----------------------------------|---------------------------------|----------------------|
| 1. | None | | |

LIST OF APPENDICES

- Appendix 1 Adult Social Care Revenue Monitor
- Appendix 2 Centrally Managed Budgets Monitor
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- Appendix 4 Controlled Parking Account Revenue Monitor
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APPENDIX 1: ADULT SOCIAL CARE**BUDGET REVENUE MONITORING REPORT – MONTH 2****1: Variance by Departmental Division**

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|------------------------------|-----------------------|-------------------------|---|
| | £000 | £000 | |
| Integrated Care | 44,176 | 4,417 | <p>A gross projected overspend of £3.909m on the Home Care Packages and Direct Payments</p> <p>Similar to the previous two years, there are continued pressures as part of the out of hospital strategy, including 7 days social care services 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.</p> <p>In 2016/17, the main reasons for the projected overspend are additional pressures on the Homecare budget with the tendering of the new Home care contracts now operational both from an increase in prices to improve quality and a potential increase in demand, totalling £1.900m. The department is proposing a transfer of £400k from ASC reserves to partly offset the pressure out of a total transfer of £800k as a number of customers are still to be transferred onto the new contract. The modelling of the effects of the new contract will also include mitigations estimated at (£1.100m) such as negotiating a contribution from the Clinical Commissioning Group (CCG) and potential economies from new ways of working which are not factored into the projections at this early stage of the year.</p> <p>Last year the department jointly with the CCG have commissioned a piece of work to understand the pressures on the health system and what is causing the overspend in Homecare. Funding of £400k was received in 2015/16 and</p> |

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|-----------------------|----------------|------------------|---|
| | £000 | £000 | |
| | | | <p>a further contribution from Health towards the additional Home care costs in 2016/17 will be proposed to the CCG Board. At this stage of the process the department has assumed a Better Care Fund contribution from Health of £1.187m to offset these pressures which is subject to CCG Board approval.</p> <p>A third main contribution to the projected overspend in home care is the financial impact of the full year effect of customers from 2015/16.</p> <p>Within the ASC 2016/17 base budget is an MTFs efficiency of £2m following the negotiations with health over the second year of the Better Care Fund. The £2m efficiency target has various target measures to deliver this saving which include avoidance of care in residential and nursing placement, reduction in home care hours, saving from jointly commissioning section 75 contracts and securing lower prices from placement providers.</p> <p>At this stage of the year the department is projecting the delivery of the following against this target: Reductions in residential and nursing placements is moving in the right direction with reduction in volumes of placements and supported living with savings of (£1.424m) factored in. A number of contracts have been renegotiated relating to Elgin and Olive House homes with savings of (£183k). This leaves a net shortfall of £393k from the £2m target efficiency.</p> <p>A net projected underspend spend of (£419k) on the Learning Disability (LD) Service. This is on the assumption all the savings are delivered. Within LD service there continues to be demand pressures within the Day care service of £170k and this is proposed to be funded from ASC reserves.</p> |

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|--------------------------------------|----------------|------------------|--|
| | £000 | £000 | |
| | | | <p>The Mental Health Team budget is projecting a net overspend of £437k.</p> <p>This relates to demand pressures in Home Care and an increasing number of 50/50 placements with Health. The department has commenced a review plan which has been provided to the social care mental health lead.</p> <p>The total projected overspend on the Social Care activity is £85k</p> <p>There are pressures continuing in the Assistive Equipment Technology budget due to the out of hospital strategy and the additional spending on the CIS to prevent entry into hospital.</p> <p>From 2016/17, there is CCG funding from the CIS model to assist with the budgetary pressure of £29,000 and the balance of the shortfall is proposed to be funded from ASC reserves.</p> <p>An income shortfall of £315k on the Careline services. This as a result of an unachievable MTFs measure resulting from no increase in charges. A new review has commenced exploring the options for the service.</p> <p>There are pressures within the Parkview establishment centre of £90k.</p> <p>This is due to additional running costs which are proposed to be funded from ASC reserves.</p> |
| Strategic Commissioning & Enterprise | 5,316 | (30) | Similar to the outturn, the meals services is projecting an underspend of (£30k) with a lower number of customers. |
| Finance & Resources | 7,778 | 0 | |
| Executive Directorate | 601 | (75) | There is a projected underspend of (£75k) within the workforce development training budgets. |

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|---|----------------|------------------|---|
| | £000 | £000 | |
| Total | 57,871 | 4,312 | |
| Funding from ASC Pressures and Demand Reserves | | (716) | The department is requesting Cabinet approval for £716k from ASC Pressures and Demand reserves to partly offset the budget pressures as forecast in month 2. |
| Better Care Fund – Health Contribution | | (1,187) | This is the second year of the Better Care Fund and the department is in constructive discussions with Health for contributions towards Home Care, Community Investment Service and Assistive Technology as part of its joint out of hospital strategy. |
| Total | 57,871 | 2,409 | |

2: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|--|-------------|--------------|
| | £000 | £000 |
| Demand pressures on Adult Social Care services would continue to increase as the population gets older. We continue to experience increases in numbers during this financial year. | 250 | 546 |
| National Living Wage for Social Care Costs. | 150 | 300 |
| Inflationary pressures greater than provided in the 2016/17 budget settlement. | 150 | 300 |
| Total | 550 | 1,146 |

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

| Adult Social Care | | MTFS Target | On Track | In Progress | Delayed/ At Risk |
|-----------------------------|-------|---|--------------|--------------|------------------|
| | | £000 | £000 | £000 | £000 |
| Total MTFS Savings | | 5,321 | 1,734 | 1,333 | 2,254 |
| Schemes Delayed / At Risk | £000 | Reason | | | |
| Various savings are at risk | 2,254 | At this early stage of the financial year the department is projecting a number of savings at risk. A number of these are savings are increasingly difficult to deliver considering the year on year savings the department has delivered in previous years. The department will continue to monitor these on a monthly basis and aim to deliver the savings. | | | |

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

Adult Social Care (ASC) is projecting a gross overspend of £4,312,000 as this early stage of the financial year. After funding from the ASC Pressures and Demand reserve of (£716,000) which is proposed for Cabinet approval and Better Care funding from Health of (£1,187,00), these will mitigate the overall pressures to a net projected overspend of £2,409,000.

The Department is proposing to drawdown from the ASC Pressures and Demand reserve of £716,000 to contribute to the net projected forecast. The following services are proposed for a reserve's contribution:

| | |
|---|------------------------|
| Home Care new contract price (1/2 year) | £400,000 |
| Learning Disabilities Service | £170,000 |
| Parkview running costs | £ 90,000 |
| Equipment pressures | £ 56,000 |
| Total | <u>£716,000</u> |

The department is expected to deliver savings of £5,321,000 in this financial year and at this stage of the year 33% are on track to be delivered in full and a further 25% in progress.

Similar to last year's forecasts, the projections should be treated with caution due to the on-going difficulties experiencing of the introduction of the Agresso Managed Services system.

5: Action Plan to Monitor Budget Overspend.

The Department will commence an action plan to work with budget managers to reduce overspend and aim bring the budget to break-even at outturn. Similar to last year when the department was projecting an overspend for the majority of the year, the action plan delivered reductions in the budget to the extent the department outturned with a (£62,000) underspend. In addition, the ASC Transformation Programme reviews progress on a two-weekly basis of the projects and programmes which will bring about the savings, with deep dives to check on progress.

The Executive Director and Deputy Executive Director have had constructive funding negotiations with Health colleagues for 2016/17. The department's has negotiated funding from Health to contribute to the Home care costs as part of the out of hospital strategy to support customers at home and avoid hospital admission or to enable early discharge which will be presented to CCG boards for approval.

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

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|---|-----------------------|-------------------------|--|
| | £000 | £000 | |
| Corporate & Democratic Core | 6,066 | 0 | |
| Housing and Council Tax Benefits | (291) | 0 | |
| Levies | 1,570 | 0 | |
| Net Cost of Borrowing | 32 | 0 | |
| Other Corporate Items (Includes Contingencies, Insurance, Land Charges) | 5,457 | 0 | |
| Pensions & Redundancy | 9,450 | (272) | Past Service costs less than budgeted. |
| Total | 22,284 | (272) | |

2: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|---|--------------------|--------------------|
| | £000 | £000 |
| Interest rate fluctuations and changes in the Council's cash balances could result in favourable or adverse movements in the Net Cost of Borrowing. | (500) | 500 |
| Total | (500) | 500 |

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

| Centrally Managed Budgets | | MTFS Target | On Track | In Progress | Delayed/ At Risk |
|---------------------------|------|--------------|----------|--------------|------------------|
| | | £000 | £000 | £000 | £000 |
| Total MTFS Savings | | 1,050 | | 1,050 | |
| Schemes Delayed / At Risk | £000 | Reason | | | |
| | | | | | |

APPENDIX 3: CHILDREN'S SERVICES**BUDGET REVENUE MONITORING REPORT – MONTH 2****1: Variance by Departmental Division**

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|--|----------------|------------------|--|
| | £000 | £000 | |
| Family Services | 33,119 | 273 | <p>At this early stage, Family Services is forecast to have an in year over spend of £273k as a number of pressures continue to manifest themselves in 16/17 from previous years.</p> <p>There is a favourable variance on staffing costs (£313k) anticipated within the Fostering and Adoption Service, Looked After Children and Leaving Care. Family Support and Locality services are currently forecast to achieve underspends in the current financial year (£349k), which will offset MTFS targets which are currently at risk of £467k.</p> <p>However the Contact and Assessment Service (CAS) has experienced an increase in the demand for assessments. To address this demand, there has been an increase in the recruitment of agency supernumerary staff and a resulting pressure of £155k. Additionally, there are further pressures in the Disabled Children Team (DCT) of £77k, the Emergency Duty Team (EDT) of £55k and the Youth Offending Team (YOT) of £9k.</p> <p>Small underspends on direct client expenditure, and across placement budgets result in a favourable variance of (£66k). However, there has been a delay in the implementation of the shared service contact centre, resulting in a cost pressure of £65k.</p> |
| Schools Commissioning and Education Services | 4,524 | 174 | A pressure of £315k is forecast across the SEN service as a result of the continued requirement for additional unfunded posts required to support |

| Departmental Division | Revised Budget £000 | Variance Month 2 £000 | Variance Analysis |
|--|------------------------|--------------------------|---|
| | | | service stability through the conversion of Special Educational Needs (SEN) Statements into the new Education, Health and Care Plan (EHCP) format. A request for a budget virement to support the additional staffing needed to maintain the service is outlined in the detail below. This pressure is partially offset by forecast underspends on SEN Transport, reduced catering and premises expenditure within the Asset Strategy service, plus vacancies held within the Schools Standards service. |
| Children's Commissioning | 4,739 | 286 | Although the implementation of the new structure has now taken place, there remains a pressure due to the use of agency and consultancy staff to provide transitional support, as the directorate has encountered difficulties in recruiting permanent staff to posts. |
| Safeguarding, Review and Quality Assurance | 1,427 | 142 | The projected overspend is due to staffing costs pressures within the Safeguarding team, mainly as a result of previous years MTFS target not being achieved in full. |
| Finance & Resources | 4,584 | 168 | Projected overspend on Finance team salaries due to delay in restructure, resulting in a shortfall against the previous year's MTFS saving (£250k) . There are unfunded Portfolio Team costs (£212k) plus overspends on ICT team salaries (£83k) . These pressures partially mitigated by a favourable variance on contract spend in relation to the employee-led mutual (£89k) , plus budget held for departmental National Insurance contributions which will be reallocated in-year (£320k) |
| Schools Funding | (1,016) | 0 | |
| Total | 47,377 | 1,043 | |

2: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|---|--------------------|--------------------|
| | £000 | £000 |
| SEN Transport – Additional cost of September and January cohort intake. | 0 | 100 |
| SEN Transport – Post 16. The transport costs of these young adults may be transferred back to ASC, dependent on an agreement between CHS and ASC. One of the aims of The Children's and Family's Act working group is to create a decision tree to allow these costs to be allocated in future. | (68) | 0 |
| Total | (68) | 100 |

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

| Children's Services | MTFS Target | On Track | In Progress | Delayed/ At Risk |
|---|--------------------|--|--------------------|-------------------------|
| | £000 | £000 | £000 | £000 |
| Total MTFS Savings | 3,227 | 2,542 | 0 | 685 |
| | | | | |
| Schemes Delayed / At Risk | £000 | Reason | | |
| Commissioning of a Children's Services contact service centre | 65 | Delay in the implementation until June 2016. | | |
| Achieving permanent care for children, reducing LAC numbers and placement costs | 467 | Activities to be defined by the service. | | |
| YOT | 9 | Staffing pressures | | |
| DCT | 77 | Staffing pressures | | |
| Reorganisation of Commissioning Team | 47 | Although the reorganisation has been implemented, there has been a need to recruit agency staff to cover vacancies. This will be subject of a separate report. | | |

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

Budget Virement Request

As previously mentioned, as a result in a change of legislation set out by the Department for Education, Children's Services are required to provide a conversion of Special Educational Needs (SEN) Statements into the new Education, Health and Care Plan (EHCP) format for young adults Post 16. The increased demand this requirement has placed upon the department has led to the establishment of a Transfer Team whose focus is to achieve the conversion rates set out by statute. There are 1634 plans that need to be converted and the plan is to have them converted by the end of December 2017. The requirement in order to convert these will be for 10 additional caseworkers and 1 manager.

The department is preparing a business case for Member approval and will potentially require a virement (£315k per annum) to cover costs to April 2018. A future update will be provided based on the Member decision.

APPENDIX 4: CONTROLLED PARKING ACCOUNTS (CPA)**BUDGET REVENUE MONITORING REPORT – MONTH 2****1: Variance by Departmental Division**

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|--|-----------------------|-------------------------|---|
| | £000 | £000 | |
| Pay & Display (P&D) | (12,229) | 421 | Income in April 2016 is similar to the previous year, so the forecast outturn at this early stage is expected to be in line with the 2015/16 outturn. |
| Permits | (4,690) | 194 | Income in April 2016 is similar to the previous year, so the forecast outturn at this early stage is expected to be in line with the 2015-16 outturn. |
| Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN) | (6,814) | 193 | The numbers of PCNs issued in April 2016 were similar to the same period last year. The outturn is therefore forecast at the same level as the 2015/16 outturn. |
| Bus Lane PCNs | (915) | (703) | The numbers of PCNs issued in April were similar to the same period last year. The outturn is therefore forecast at the same level as the 2015/16 outturn. |
| CCTV Parking PCNs | 0 | (11) | The number of CCTV parking PCNs issued in April were similar to the last couple of months of 2015/16. It is expected that the numbers will stay at this level throughout the year. |
| Moving Traffic PCNs | (6,314) | 13 | The numbers of PCNs issued in April 2016 were significantly lower than in the same month last year (27%). It is not expected that this will continue for the full year, but the forecast has been adjusted to allow for some reduction in the numbers of PCNs. The budgeted income was increased by £500k in the 2016/17 budget planning. |
| Parking Bay Suspensions | (2,923) | (585) | Income in April 2016 is similar to the previous year, so the forecast outturn at this early stage is expected to be in line with the 2015/16 outturn. The budgeted income was increased by £500k in the 2016/17 budget planning. |
| Towaways and Removals | (352) | 27 | Income in April 2016 is similar to the previous year, so the forecast outturn at this early stage is expected to be in line with the 2015/16 outturn. |

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|--------------------------------|-----------------|------------------|--|
| | £000 | £000 | |
| Expenditure and Other Receipts | 11,779 | (20) | Staffing costs are forecast to be underspent by £202k based on current staffing and agency spend. Supplies and services are forecast to be overspent by £181k. |
| Total | (22,458) | (471) | |

2: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|--|-------------|--------------|
| | £000 | £000 |
| Moving Traffic Offences – risk that driver behaviour changes | 0 | 1,500 |
| Economic downturn resulting in fewer parking bay suspension requests | 0 | 1,000 |
| Total | 0 | 2,500 |

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

The parking forecast at this early stage is an underspend of (£471k). Officers will continue to keep a close eye on the performance of Parking income and expenditure and in particular review regularly the Parking Bay Suspension income which may change at short notice due to fluctuations in demand. The Moving Traffic Offences activity will also be regularly reviewed, to identify whether driver behaviours are changing.

Virements are requested to the income budgets as outlined in appendix 11, to align them with the trends in actual activity seen over the last 12 months.

APPENDIX 5: CORPORATE SERVICES**BUDGET REVENUE MONITORING REPORT – MONTH 2****1: Variance by Departmental Division**

| Departmental Division | Revised Budget £000 | Variance Month 2 £000 | Variance Analysis |
|--------------------------------------|--------------------------------|----------------------------------|--|
| H&F Direct | 18,972 | 0 | Similar to last financial year, there is likely to be continued budget pressure on the recovery of court costs. However, currently it is anticipated that the favourable savings from the delivery of taxi cards will negate these pressures to ensure that the department is within its overall budget. |
| Innovation & Change Management (ICM) | (220) | 0 | |
| Legal and Electoral Services | 768 | 0 | |
| Finance & Audit | 453 | 0 | |
| Shared ICT Services & Procurement | (3,393) | 180 | The department is currently forecasting an additional cost of £180k for its supplies and services. Discussions have already started to review potential remedies/ mechanisms to deal with this adverse variance. |
| Commercial Directorate | 65 | 0 | There is a budget pressure relating to the non-recovery of budgets from departments for savings assumed from the new stationery contract. The issue is expected to be resolved before end of the second quarter. |
| Executive Services | (725) | 0 | |
| Human Resources | 0 | 0 | |
| Delivery and Value | 669 | 0 | |
| Total | 16,589 | 180 | |

2: Key Risks

No risks to report.

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

| Corporate Services | | MTFS Target | On Track | In Progress | Delayed/ At Risk |
|---------------------------|------|--------------|--------------|-------------|------------------|
| | | £000 | £000 | £000 | £000 |
| Total MTFS Savings | | 3,175 | 3,175 | | |
| Schemes Delayed / At Risk | £000 | Reason | | | |
| | | | | | |

APPENDIX 6: ENVIRONMENTAL SERVICES**BUDGET REVENUE MONITORING REPORT – MONTH 2****1: Variance by Departmental Division**

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|--------------------------------------|-----------------------|-------------------------|---|
| | £000 | £000 | |
| Cleaner, Greener & Cultural Services | 21,525 | (420) | <p>(£359k) Waste Disposal – Western Riverside will continue to charge a reduced rate for recycle this year, giving rise to a forecast underspend of £359k for 2016/17 (assuming waste tonnages remain in line with last year). Waste tonnages can increase as well as decrease and there is a London wide trend of more expensive general waste tonnages increasing and cheaper recycling tonnages decreasing.</p> <p>£119k Waste Contract and Enforcement – Forecast overspend on variable charges of £54k for Smartbanks and £65k for domestic recycling sacks. These were offset by underspends on contract inflation in 2015/16, but this cannot be relied upon for 2016/17.</p> <p>(£180k) Waste and Street Cleansing contract – actual contract inflation is less than included in the budget this year.</p> |
| Safer Neighbourhoods | 8,107 | 554 | <p>£163k Transport – £100k loss of management and repair income as a result of the Passenger Transport service being outsourced. The Council has decided that the service will remain outsourced, meaning there is an ongoing budget pressure of £100k for 2016/17 and future years. Additional pressures from 2015/16 expected be ongoing - mostly due to a smaller mark up being achieved on fuel, leases and the workshop as a result of declining activity. Budget growth is being pursued and options for the continuation of the workshop are being explored.</p> <p>£50k Coroners and Mortuary Service – An increasing number of cases, some of which are high profile, is resulting in significant legal costs. Increasing activity levels as a result of recent legislative changes is being</p> |

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|--------------------------------------|----------------|------------------|--|
| | £000 | £000 | |
| | | | <p>analysed. If these changes are likely to mean a sustained increase in activity, a request for budget growth may be submitted.</p> <p>£341k Phoenix Fitness Centre – Capital improvement works to increase the income generating potential of the centre, and therefore reduce its annual management fee have not happened as planned due to ongoing discussions with the school. If the management fee stays at the current rate, there is an ongoing budget pressure of £341k for 2016/17 and future years.</p> |
| Other LBHF Commercial Services | 11 | 177 | <p>£177k Ducting contract – The income target is £282k, compared to £105k guaranteed income for 2016/17. The non-guaranteed income forecast for year 2 is £267k, so there is potential for this position to improve, but there has been no non-guaranteed income to date, and the amounts owed by the contractor are growing so this remains high risk.</p> |
| People Portfolio Saving | (153) | 153 | <p>£153k People Portfolio Saving – this historic savings target is not expected to be met again this year. Officers are working on options to permanently remove this pressure going forwards.</p> |
| Building & Property Management (BPM) | (2,801) | 156 | <p>£0k in Advertising Hoardings – There is limited information at this early stage but it is anticipated that Advertising Hoarding income will be in line with budget. However given the challenges from the previous year, this area will be monitored closely.</p> <p>£242k in Civic Accommodation – This is mainly the result of unachievable MTFS savings on Fulham Town Hall. The disposal of this property has been delayed because it is currently subject to planning decision (the Council continues to incur running costs).</p> <p>£35k Technical Support and BPM Business Support – Overspend on staffing costs in Technical Support of £35k.</p> <p>(£12k) Building Control – This is due to additional income from large building schemes.</p> <p>(£212k) Facilities Management – These are very early days but the indications are that most of this favourable variance relates to the rebate</p> |

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|------------------------------|----------------|------------------|--|
| | £000 | £000 | |
| | | | from the laser contract in the Carbon Reduction team. £96k - Rent and Other Properties. Unachievable MTFS savings of £86k and unachievable income target on Galena Road of £14k. |
| Transport & Highways | 13,674 | 349 | This unfavourable variance is mainly attributable to a pressures on staffing costs and assumed lower income levels from traffic orders. It is currently assumed that maintenance expenditure will be the same as budget. |
| Planning | 1,971 | 7 | |
| Environmental Health | 2,994 | 51 | The unfavourable variance is mainly due to shortage of licensing income and some pressure in staffing costs. |
| Former TTS Support Services | (660) | 4 | |
| Adult Learning and Education | 1,328 | 0 | |
| Total | 45,996 | 1,031 | |

2: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|---|-------------|-------------|
| | £000 | £000 |
| Due to the delay in the sales to cash module in Agresso becoming operational the ES service group is still catching up with debt recovery processes, which increases the likelihood of bad debts. This is a particular risk where services have already been provided but invoicing was delayed (e.g. events and filming). Bad debt provisions were increased in 2015/16 accordingly, so the risk to the general fund remains reasonably low. | 0 | 100 |
| Risk that central government funding will not be secured for the additional Coroner and Mortuary costs associated with the terror attacks in Tunisia. | 0 | 1,800 |
| Advertising Hoarding Income - Lower than expected income from Advertising Hoardings sites. | 0 | 500 |

| Risk Description | Lower Limit | Upper Limit |
|--|--------------------|--------------------|
| | £000 | £000 |
| Unfunded Judiciary Review expenditure and exceptional items in Planning Division | | 350 |
| Total | 0 | 2,750 |

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

| Environmental Services | MTFS Target | On Track | In Progress | Delayed/ At Risk |
|--------------------------------------|--------------------|--|--------------------|-------------------------|
| | £000 | £000 | £000 | £000 |
| Total MTFS Savings | 2,799 | 1,272 | 990 | 537 |
| Schemes Delayed/ At Risk | £000 | Reason | | |
| Additional filming and events income | 42 | Depends on demand | | |
| Additional commercial waste income | 100 | Downward trend in income between 2014/15 and 2015/16. Targeted action being taken to drive up income. | | |
| Additional rental income | 86 | Charge to Amey for accommodation is recharged back to the Council under the contract. | | |
| Accommodation savings | 245 | Depends on the sale of Fulham Town Hall. | | |
| Streetlighting energy | 64 | Street lighting LED pilots are running, and plans are in place to extend this. Currently, only 55% of the savings are expected to be achievable. | | |

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

This year the Environmental Services budget is seeing the financial impact of a number of decisions not within its control.

Discussions with Children's Services Directors and lead cabinet members are ongoing, with a view to progressing the delayed capital works at the Phoenix Fitness Centre (£341k pressure). Budget growth is being pursued to remove the ongoing income pressure as a result of the Passenger Transport service not transferring back in house (£100k). Running costs of Fulham Town Hall are continuing to be incurred (£242k) and Planning is beginning to see the costs of the public inquiry in relation to this project. The underlying causes for the pressures on the Coroners Service and Mortuary will continue to be reviewed and a growth bid may be submitted as appropriate.

APPENDIX 7: HOUSING DEPARTMENT - GENERAL FUND**BUDGET REVENUE MONITORING REPORT – MONTH 2****1: Variance by Departmental Division**

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|--|-----------------------|-------------------------|--------------------------|
| | £000 | £000 | |
| Housing Strategy, Options, Skills & Economic Development | 6,551 | 0 | |
| Housing Strategy & Regeneration | 7 | 0 | |
| Housing Services | 44 | 0 | |
| Strategic Housing Stock Options Transfer | 0 | 0 | |
| Finance & Resources | 173 | 0 | |
| Total | 6,775 | 0 | |

2: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|---|--------------------|--------------------|
| Temporary Accommodation Procurement Costs – recent months have seen increased difficulties in containing the inflationary 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. In the event that this risk crystallises, the resultant costs will be mitigated by the Temporary Accommodation reserve. | 410 | 836 |
| 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 | 410 | 836 |

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

| Housing Department | | MTFS Target | On Track | In Progress | Delayed/ At Risk |
|---------------------------|------|-------------|----------|-------------|------------------|
| | | £000 | £000 | £000 | £000 |
| Total MTFS Savings | | 265 | 265 | | |
| Schemes Delayed / At Risk | £000 | 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 break even against the budget.

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

APPENDIX 8: LIBRARIES AND ARCHIVES SERVICES (SHARED SERVICES)**BUDGET REVENUE MONITORING REPORT – MONTH 2****1: Variance by Departmental Division**

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|---------------------------|----------------|------------------|---------------------------|
| | £000 | £000 | |
| Libraries Shared Services | 3,158 | 0 | No variance for the month |
| Total | 3,158 | 0 | |

2: Key Risks

None to report.

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

| Libraries Shared Services | MTFS Target | On Track | In Progress | Delayed/ At Risk |
|---------------------------|-------------|----------|-------------|------------------|
| | £000 | £000 | £000 | £000 |
| Total MTFS Savings | 20 | | 20 | |
| Schemes Delayed / At Risk | £000 | Reason | | |
| | | | | |

APPENDIX 9: PUBLIC HEALTH SERVICES**BUDGET REVENUE MONITORING REPORT – MONTH 2****1: Variance by Departmental Division**

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|---|-----------------------|-------------------------|---|
| | £000 | £000 | |
| Sexual Health | 5,768 | 0 | |
| Substance Misuse | 4,870 | 0 | |
| Behaviour Change | 2,527 | 0 | |
| Intelligence and Social Determinants | 60 | 0 | |
| Families and Children Services | 6,823 | 0 | |
| Public Health Investment Fund (PHIF) | 2,162 | 0 | |
| Salaries and Overheads | 1,385 | 0 | |
| Drawdown from Reserves | (678) | (14) | |
| Public Health – Grant | (18,925) | 14 | Grant confirmation received March 2016, £18,911k. |
| Public Health 0-5 Programme Grant (from Oct 2015) | (3,992) | 0 | |
| Total | 0 | 0 | |

2: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|--|--------------------|--------------------|
| | £000 | £000 |
| Awaiting consultation response for proposals to amend the funding formula for 2016/17 onwards. | 0 | 1,930 |
| Total | 0 | 1,950 |

Upper limit is based on 2015/16 reduction to grant, although this level of reduction in 2016/17 is unlikely.

APPENDIX 10: HOUSING REVENUE ACCOUNT**BUDGET REVENUE MONITORING REPORT – MONTH 2****1: Variance by Departmental Division**

| Departmental Division | Revised Budget | Variance Month 2 | Variance Analysis |
|--|-----------------------|-------------------------|--------------------------|
| | £000 | £000 | |
| Housing Income | (76,571) | 0 | |
| Finance and Resources | 15,151 | 0 | |
| Housing Services | 11,417 | 0 | |
| Commissioning and Quality Assurance | 1,638 | 0 | |
| Strategic Housing Stock Options Transfer | 0 | 0 | |
| Property Services | 2,405 | 0 | |
| Housing Repairs | 13,869 | 0 | |
| Housing Options HRA | 343 | 0 | |
| Adult Social Care | 48 | 0 | |
| Regeneration | 237 | 0 | |
| Safer Neighbourhoods | 578 | 0 | |
| Housing Capital | 29,824 | 0 | |
| (Contribution to)/ Appropriation From HRA General Reserve | (1,061) | 0 | |

2: Key Risks

| Risk Description | Lower Limit | Upper Limit |
|--|----------------|----------------|
| 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, delayed and missing cash files preventing rent arrears from being managed and the associated 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 |

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

| Housing Revenue Account | MTFS Target | On Track | In Progress | Delayed/ At Risk |
|---------------------------|-------------|----------|-------------|------------------|
| | £000 | £000 | £000 | £000 |
| Total MTFS Savings | 922 | 922 | | |
| 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 |
|----------------------------|-----------------|---|---------------------------------|-----------------|
| | £000 | £000 | £000 | £000 |
| HRA General Reserve | (18,520) | (1,061) | (0) | (19,581) |

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


The Housing Revenue Account forecast outturn is expected to break even against the budget for 2016/17.

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. Whilst BT has released these reports to LBHF, they still cannot be accessed by key staff. 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 REQUESTs

| Details of Virement | | | | Amount (£000) |
|---|--|-------------------------------|---------------------------------------|--|
| GENERAL FUND: | | | | |
| <u>Department: Controlled Parking Account (in £)</u> | | | | |
| | Original Budget 2016-17 | Proposed Virements | Revised Budget 2016-17 | Various intra- departmental virements listed here |
| Description | | | | |
| Bus Lane PCNs | -915,400 | -342,000 | -1,257,400 | |
| Towaways Fines | -351,900 | 27,000 | -324,900 | |
| Parking Bay Suspension Charges | -2,923,200 | -300,000 | -3,223,200 | |
| Pay and Display | -12,228,700 | 421,000 | -11,807,700 | |
| Residents Parking Permits | -3,853,500 | 194,000 | -3,659,500 | |
| <u>Departments: Housing General Fund / Environmental Services</u> Within the original budget 2016/17 a number of cost centres relating to Adult Learning and Education were reporting to Environmental Services. It is now clarified that these will report to Housing General Fund and a virement is set out here. | | | | DR £1,328k / CR (£1,328K) Housing General Fund / Environmental Services |
| Total General Fund Virements (Debits) | | | | as above |
| Housing Revenue Account (HRA): | | | | 0 |
| Total HRA Virements (Debits) | | | | 0 |

| | |
|---|---|
| <p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 SEPTEMBER 2016</p> |  |
| 2015/16 CORPORATE REVENUE OUTTURN REPORT | |
| 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 Finance Director | |
| Report Author: Jade Cheung – Finance Manager | Contact Details: Tel: 020 8753 3374 E-mail: Jade.Cheung@lbhf.gov.uk |

1. EXECUTIVE SUMMARY

- 1.1. To report subject to audit, the 2015/16 provisional revenue outturn position.
- 1.2. The General Fund provisional revenue outturn variance is a favourable underspend of £5.178m before the carry-forward of approved departmental underspends of £0.700m. This outcome has enabled a transfer to earmarked reserves of £4.478m.
- 1.3. The Housing Revenue Account (HRA) provisional outturn variance is an underspend of £2.880m, with HRA general reserves at £18.520m. HRA reserves have increased by £5.354m, due to the underspend of £2.880m and budgeted contribution to HRA general reserves of £2.474m.

2. RECOMMENDATIONS

- 2.1. To note the gross General Fund provisional revenue underspend of £5.178m, subject to audit. After allowance for the carry-forward of departmental underspends of £0.700m, the net underspend of £4.478m has been transferred to earmarked reserves.

- 2.2. To note the HRA provisional underspend of £2.880m and overall increase in the HRA reserves of £5.354m resulting in a HRA balance of £18.520m as at 31 March 2016, subject to audit.
- 2.3. To note that earmarked reserves are £112.852m, and provisions are £12.979m, as at 31 March 2016, subject to audit.

3. REASONS FOR DECISION

- 3.1. To confirm the financial position as at 31 March 2016. This report outlines the provisional revenue outturn position, income and expenditure for 2015/16, and the consequent effect on the Council's levels of reserves.

4. 2015/16 GENERAL FUND OUTTURN

- 4.1. Table 1: General Fund Outturn 2015/16¹

| Department | Revised Budget | Actual | Variance |
|--|----------------|----------------|----------------|
| | £m | £m | £m |
| Adult Social Care | 63.842 | 63.781 | (0.061) |
| Centrally Managed Budgets | 19.272 | 16.831 | (2.441) |
| Children's Services | 54.913 | 55.469 | 0.556 |
| Controlled Parking Account | (20.040) | (22.210) | (2.170) |
| Corporate Services | 21.991 | 21.308 | (0.683) |
| Environmental Services | 46.772 | 46.405 | (0.367) |
| Housing & Regeneration | 8.723 | 8.710 | (0.013) |
| Libraries & Archives (Shared Services) | 2.199 | 2.200 | 0.001 |
| Public Health | 0.004 | 0.004 | 0 |
| Gross Total | 197.676 | 192.498 | (5.178) |
| Less approved budget carry-forward | (0.700) | | |
| Net Total | 196.976 | 192.498 | (4.478) |

- 4.2. Table 1 shows the provisional General Fund revenue final outturn variance is a favourable underspend of £5.178m before the carry-forward of approved departmental underspends of £0.700m. The £5.178m underspend amounts to 2.6% of the Council's gross budget (excluding Housing Benefits transfer payments). A detailed explanation of the variances (shown gross) is provided in appendix 1. This outcome has enabled a transfer to earmarked reserves of £4.478m.

- 4.3. The Accounts for 2015/16 are due to be reviewed by external auditors. Following external audit the Accounts must be signed off by Audit, Pensions and Standards Committee by 30th September 2016.

¹ Figures in brackets are underspends.

5. 2015/16 HOUSING REVENUE ACCOUNT

5.1. The HRA provisional underspend was £2.880m in 2015/16 (table 2). The reasons for the underspend are explained in appendix 2. Overall HRA balances have increased by £5.354m to £18.520m. This is attributable to the underspend of £2.880m and the budgeted contribution to balances of £2.474m.

5.2. Table 2: 2015/16 Housing Revenue Account Outturn

| Housing Revenue Account | £m |
|-----------------------------------|-----------------|
| Balance 31 March 2015 | (13.166) |
| Budgeted Contribution to Balances | (2.474) |
| HRA surplus (underspend) | (2.880) |
| Balance 31st March 2016 | (18.520) |

6. RESERVES², BALANCES AND PROVISIONS³

6.1. The favourable outturn resulted in a transfer to earmarked reserves of £4.480m (table 3). This is in addition to the previously approved carry forward of departmental budget underspends of £0.700m.

6.2. Table 3: Transfers to Earmarked Reserves

| Proposed Transfers to Reserves | £m |
|--|--------------|
| Managed Services Reserve to be held to fund work on Commercial discussion and Managed Services Project (MSP) review | 0.550 |
| Efficiency Projects Reserve | 3.928 |
| Total Contribution to Reserves and Balances | 4.478 |

6.3. General Fund Balances remain at £19.004m (4% of the gross budget excluding Housing Benefit transfer payments). This is within the range of £14m to £20m identified as prudent. The Council has reported financial risks and challenges of £11.9m in 2016/17, therefore maintaining balances at this level will help mitigate against such risks.

6.4. Earmarked reserves total £112.852m at the close of 2015/16 (an increase of £8.542m). General Fund earmarked reserves have increased by £0.537m from £89.520m at the start of 2015/16 to £90.057m at year end. HRA reserves have increased by £8.005m to £22.795m. Departmental analysis is shown in table 4 and further detail in appendix 3.

² Reserves in general are amounts set aside which are for future policy purposes or to cover contingencies. Earmarked reserves are for specific expenditure or projects only.

³ A provision is an amount set aside for liabilities anticipated in the future which cannot always be accurately quantified. A provision is for a present obligation as the result of a past event.

6.5. Provisions have decreased by £8.149m to £12.979m and are detailed in appendix 4.

6.6. Table 4: Earmarked Reserves, Balances & Provisions at 31 March 2016

| Department | 31 March 2016 £m |
|--|-----------------------------|
| Adult Social Care | 5.458 |
| Children's Services | 2.184 |
| Corporate Services | 68.517 |
| Environmental Services | 9.551 |
| Libraries | 0.043 |
| Housing and Regeneration | 4.304 |
| General Fund Earmarked Reserves | 90.057 |
| Housing Revenue Account Reserves | 22.795 |
| Earmarked Reserves | 112.852 |
| Provisions | 12.979 |
| General Balances | 19.004 |
| Total | 144.835 |

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.).

7.2. In order to meet the deadline, Cabinet delegated decision making in relation to these issues to the Strategic Finance Director in consultation with the Cabinet Member for Finance.

8. CARRY FORWARD PROPOSALS

8.1. Environmental Services and the Controlled Parking Account have presented justifications to carry forward underspend budgets totalling £0.700m into 2016/17 (table 5). These have been previously approved and noted here for information only.

Table 5: Departmental Budget Carry Forward to 2016/17

| Department | Approved Budget Carry Forward £m |
|---|-------------------------------------|
| Controlled Parking Account To fund signage for CCTV enforcement to comply with the Information Commissioner's Office (ICO) code of practice | 0.350 |
| Environmental Services Phoenix Fitness Centre (and Janet Adegoke Swimming Pool) | 0.350 |
| Total | 0.700 |

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 groups so an EIA is not required.

11. LEGAL IMPLICATIONS

11.1. N/A.

12. FINANCIAL IMPLICATIONS

12.1. This report is of a financial nature and the financial implications are contained within, which is subject to audit review.

12.2. Implications verified/completed by: Jade Cheung, Finance Manager
0208 753 3374.

13. IMPLICATIONS FOR BUSINESS

13.1. N/A.

14. OTHER IMPLICATION PARAGRAPHS

14.1. N/A.

15. 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 2015/16 Revenue Outturn

- **Adult Social Care**
- **Centrally Managed Budgets**
- **Children’s Services**
- **Controlled Parking Account**
- **Corporate Services**
- **Environmental Services**
- **Housing & Regeneration**
- **Libraries (Shared Services)**
- **Public Health**

Appendix 2 Departmental Analysis – HRA 2015/16 Revenue Outturn

Appendix 3 Earmarked Reserves

Appendix 4 Provisions

APPENDIX 1:

DEPARTMENTAL ANALYSIS – GENERAL FUND 2015/16 REVENUE OUTTURN

ADULT SOCIAL CARE (ASC)

Variance Analysis by Departmental Division

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|-----------------------|------------------------|-------------------|--|
| | £000 | £000 | |
| Integrated Care | 46,962 | 190 | <p>Net Overspend of £460k on Home Care Packages and Direct Payments Similar to the previous year, there were increasing pressures during 2015/16 on the Home Care Packages and Direct Payments budgets as part of the out of hospital strategy, including the 7 days social care services 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 been expected. There was a gross outturn overspend of £2.088m which has been managed downward by Community Independence Service (CIS) Investment allocation of (£358k), Care Act funding of (£557k), Better Care Funding of (£313k) and Health Care funding of (£400k).</p> <p>Overspend of £396k on the Community Independence Services Cost increases due to 7 day services to support customers at home and to enable early discharge.</p> <p>Private Finance Initiative Underspend of £331k This is due to an out of court settlement reached with Care UK under the PFI contract in April 2015.</p> |

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|--------------------------------------|------------------------|-------------------|--|
| | £000 | £000 | |
| | | | <p>Net Underspend of £335k against the £2m Efficiency Target for the Better care Fund</p> <p>Reductions in residential and nursing placements moved in the right direction with reduction in volumes of placements with savings of (£1.692m). There was an underspend of (£650k) from Better Care Fund and working closer with Health leaving a net underspend of (£342k). Other variances total £7K.</p> |
| Strategic Commissioning & Enterprise | 7,664 | (96) | The Supporting People budget underspent by (£141k) due to procurement savings on new contracts. The Meals service outturned with a variance of (£52k) which was offset by a net overspend on Commissioning salaries of £97k due to the need to recruit interim resources to cover workloads. |
| Finance and Resources | 8,608 | (11) | |
| Executive Directorate | 608 | (144) | Within the Directorate Division, there was an underspend of (£144k) within the workforce development training budgets. |
| Total | 63,842 | (61) | |

CENTRALLY MANAGED BUDGETS
Variance Analysis by Departmental Division

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|--|------------------------|-------------------|---|
| | £000 | £000 | |
| Corporate & Democratic Core | 6,117 | (87) | |
| Housing and Council Tax Benefits | (405) | (307) | Housing Benefit overpayment collection better than budget due to work of the Enhanced Revenue Collection programme. |
| Levies | 1,525 | (11) | |
| Net Cost of Borrowing | 1,082 | (218) | Favourable variance from better than budgeted investment income due to cash balances. |
| Other Corporate Items (Includes Contingencies, Insurance, Land Charges) | 45 | (1,030) | Underspend on corporately funded legal costs relating to employment cases (£260k). A Historic accounting adjustments for the write back of Civica invoices paid incorrectly on the Cedar finance system in previous years and income corrections (£770k). |
| Pensions & Redundancy | 10,908 | (788) | Underspend of (£350k) for redundancy. Underspend of (£166k) on historic unfunded pension costs. Past Service Deficit pension contribution under budget (£272k). |
| Total | 19,272 | (2,441) | |

CHILDREN'S SERVICES DEPARTMENT (CHS)

Variance Analysis by Departmental Division

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|--|-------------------------------|--------------------------|---|
| | £000 | £000 | |
| Family Services | 30,596 | 491 | <p>Following the in-year audit of placements by the service in December, costs across Adoption, Residential Looked After Children (LAC) and Scheme Fostering placements have remained in line with previous months' forecasts. There was a reduction in spot purchase residential parenting & mother and baby assessments, although these were offset by a slight increase in remand costs.</p> <p>There were overspends in staffing costs related to the difficulties in recruiting and retaining permanent senior social work staff, therefore relying on agency workers for frontline service delivery teams £140k and the Multi Agency Safeguarding Hub (MASH) £195k.</p> <p>Whilst there were underspends on legal costs associated with the service (£65k), the level of Payments by Results funding related to the Troubled Families programme was not as expected in this financial year, resulting in a pressure against MTFS target of £189k.</p> <p>Expenditure on the Multi Systemic Therapy contract was also higher than forecast in this financial year as usage was higher than anticipated £32k.</p> |
| Safeguarding, Review and Quality Assurance | 1,853 | 25 | |

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|-------------------------------------|------------------------|-------------------|---|
| | £000 | £000 | |
| Schools Commissioning and Education | 5,890 | (79) | |
| Commissioning | 6,279 | 323 | The directorate has underspends within the Young Peoples Provision service (£252k) and Children's and Adolescents Mental Health Services (CAMHS) (£64k). There are also other small favourable variances across the Commissioning directorate (£91k). However, the delay in the implementation of the divisional restructure, plus additional one-off costs associated with the transition to the new structure has resulted in a pressure across team costs within Commissioning of £730k . It is expected that once the restructure is implemented in full it will deliver MTFs savings earmarked for 2016/17. |
| Finance and Resources | (1,365) | (210) | Additional rental income received in relation to the Fulham Bilingual school. Additional underspends are due to the release of a provision to revenue as the risk has reduced. |
| Schools Funding | 11,660 | 6 | |
| Total | 54,913 | 556 | |

CONTROLLED PARKING ACCOUNT (CPA)

Variance Analysis by Departmental Division

| Departmental Division | Revised Budget 2015/16 £000 | Year End Variance £000 | Explanation of Major Variances (over £100k) |
|--------------------------------|--------------------------------|---------------------------|---|
| Pay & Display (P&D) | (12,229) | 421 | Pay and display receipts were lower in 2015/16 than they were in 2014/15. Other boroughs in London are seeing similar reductions. |
| Permits | (4,690) | 194 | There was a reduction of 2% in the receipts from parking permits in 2015/16, as compared to 2014/15. |
| Penalty Charge Notices (PCNs) | (13,543) | (1,620) | There has been an increase in the total number of PCNs issued in 2015/16. The recovery of old PCNs issued in previous years has also been greater than originally expected. |
| Parking Bay Suspensions | (2,423) | (1,085) | 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) | 27 | |
| Expenditure and Other Receipts | 13,197 | (107) | This includes an underspend in staffing costs of £255k. Other expenditure variances of £148k, mainly on postage and other supplies and services. |
| Total | (20,040) | (2,170) | |

CORPORATE SERVICES

Variance Analysis by Departmental Division

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|--------------------------------|------------------------|-------------------|--|
| | £000 | £000 | |
| H&F Direct | 20,421 | 165 | The adverse variance is in main due to shortfall in court costs recovery (due to an expected reduction in recovery resulting from Agresso delays and a shortfall against income targets). |
| Innovation & Change Management | 312 | (63) | The cost recovery for the service was better than what was budgeted for. |
| Legal & Electoral Services | (52) | (176) | This variance reflects better than expected results in the legal services trading account due to peak in demand in the last quarter. |
| Finance & Audit | 2,608 | (66) | Less than expected contract payments and one off receipts such as VAT repayment supplement contributed to the overall favourable variance. |
| Shared ICT Services | (598) | 146 | The adverse variance of £146k against the ICT budgets represents 0.8% of the department's budget for controllable costs. This variance is in the main due to non-recovery of some costs and under estimation of contract costs. |
| Commercial Directorate | 46 | 123 | £60k variance relates to non-recovery of budgets from departments for savings assumed from the new stationery contract. Remaining relate to non-recovery of legal costs from client departments. |
| Executive Services | (687) | (3) | |
| Human Resources | 541 | (393) | The HR budget outturned at an underspend of £393k. HR had regularly reported a predicted £80k underspend based on releasing savings early. The other factors are that HR recharged £200k under the S113 shared services agreement. From 2016/2017 HR |

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|-----------------------|------------------------|-------------------|---|
| | | | will be recharging on a monthly basis and therefore able to predict better. Also HR were credited with £63k from the H&F Bridge partnership in relation to iTrent which they did not know about. |
| Delivery & Value | (600) | (416) | The variance is mainly due to bringing forward savings in community grants as a result of third sector investments. The unachievable income targets in media, communications and Hammerprint were offset by underspends in other areas in the division. |
| Total | 21,991 | (683) | |

ENVIRONMENTAL SERVICES

Variance Analysis by Departmental Division

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|--------------------------------------|------------------------|-------------------|---|
| | £000 | £000 | |
| Cleaner, Greener & Cultural Services | 20,302 | (1,160) | <p>(£1,085k) Waste Disposal – Western Riverside Waste Authority (WRWA) has been able to freeze waste disposal tonnage prices for 2015/16, resulting in a £426k underspend on overall waste tonnages. Year on year, cheaper recycle tonnages decreased by 3.1% and more expensive general waste tonnages increased by 0.4%. An additional £634k one off rebate was received relating to the period 2011/2012 to 2014/15, arising from the treatment of government payments to electricity generators set out in the contract between WRWA and Cory. We do not know at this stage whether such payments will flow in the future.</p> <p>(£111k) Waste Contract and Enforcement – £63k underspend on the contract due mostly to negative inflation in 2015/16, £32k recovery of legal costs, £16k other underspends.</p> <p>£36k Other smaller net overspends</p> |

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|---|------------------------|-------------------|--|
| Safer Neighbourhoods | 8,132 | 172 | <p>£163k Transport – £100k loss of management and repair income as a result of the Passenger Transport service being outsourced. This service will remain outsourced, meaning there is an ongoing budget pressure of £100k for 2016/17 and future years. £63k pressure mostly due to a smaller mark up being achieved on fuel, leases and the workshop as a result of declining activity. Budget growth is being pursued.</p> <p>Phoenix Fitness Centre – Capital improvement works to increase income generating potential and therefore reduce the management fee for the centre have not happened as planned this year due to ongoing discussions with the school. £350k PH funding for that capital spend will need to be provided from the corporate revenue reserve in 2016/17. If the project is not implemented the management fee will stay at the current rate, giving an ongoing budget pressure of £341k for 2016/17 and future years.</p> <p>£18k Other net overspends</p> |
| Customer & Business Development | 668 | 266 | <p>£267k Ducting contract – Overspend reflects slippage on the implementation date of the contract.</p> <p>(£1k) Other net underspends</p> |
| Former ELRS Executive Directorate & Finance | (153) | 143 | <p>£153k People Portfolio Saving – The savings target has not been met, and is not expected to be met in future years, meaning there is an ongoing budget pressure of £153k.</p> <p>(£10k) Other net underspends</p> |

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|--------------------------------------|------------------------|-------------------|--|
| Building & Property Management (BPM) | (3,499) | 714 | <p>£735k in Advertising Hoardings –Challenges during the earlier part of the year with the contractors led to significant shortfall in income from the Two Towers and L’Oreal advertising hoarding site, which accounts for the majority of this overspend.</p> <p>£207k in Civic Accommodation – There are three main reasons for this overspend; The requirement to refund rent previously received from Amey of £106k has led to a lower income. Secondly, the rental income target was unachievable by £40k for Bagleys Lane. Also there was a need for an additional provision for bad debts due to problems with the new IT system of £24k, and overspends on premises expenditure of £37k.</p> <p>£32k Technical Support and BPM Business Support – The overspend relates to staffing and supplies and services costs.</p> <p>(£66) Building Control – This favourable variance is due to additional income from large building schemes.</p> <p>(£360k) Facilities Management – The staffing restructure in BPM services resulted in a favourable variance of (£178k). Furthermore, there is an underspend of (£10k) from the EC Harris contract and a net underspend of (£170k) from TFM and the Carbon Reduction Section.</p> <p>£170k Rent and Other Properties and Depot Recovery – A higher than anticipated budget debt provision of £173k due to the new IT system. However this was slightly offset by higher than expected income in Commercial rents of (£10k).</p> |

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|-----------------------------|------------------------|-------------------|--|
| Transport & Highways | 14,458 | (429) | <p>(£93k) Highways & Projects Administration – largely due to underspends in pay costs.</p> <p>(£351k) Highways Maintenance and Projects – This is mainly due to an underspend in planned maintenance (£267k), streetlight maintenance (£101k) and overachievement of staff recharges to projects of (£148k), offset by an overspend in Metro Wireless and other expenditure of £165k.</p> <p>£16k Transport Policy and Network Management.</p> |
| Planning | 3,734 | 53 | The overall unfavourable variance is mainly due to external developer income shortfalls resulting from slippage in regeneration projects. Some of this is offset by underspends in the Policy and Spatial Team. |
| Environmental Health | 3,594 | 9 | Overspends mainly on employees costs. |
| Former TTS Support Services | (464) | (135) | Underspends in TTS Finance and Exec Director's salary costs. |
| Total | 46,772 | (367) | |

HOUSING & REGENERATION - GENERAL FUND

Variance Analysis by Departmental Division

| Departmental Division | Revised Budget 2015/16 £000 | Year End Variance £000 | Explanation of Major Variances (over £100k) |
|---|--------------------------------|---------------------------|--|
| Housing Options, Skill & Economic Development | 7,826 | (54) | <p>This mainly relates to:</p> <ul style="list-style-type: none"> • a reduction in procurement costs (£203k) following the expiry of an expensive lease for temporary accommodation (this relates to an early achievement of MTFs savings to be delivered in 2016/17), • a reduction in the net costs of Bed and Breakfast (B&B) accommodation of (£549k) due to lower average client numbers (84 compared to 175 originally budgeted for) which are offset by a predicted overspend of £665k arising mainly as a result of inflationary pressures on rents for suitable temporary accommodation from private sector landlords (PSL), • an increase in legal costs of £54k on housing assessment and complex cases, • the receipt of a government grant of (£200k) for “tackling temporary accommodation”, • £144k salaries overspend mainly as a result of resourcing issues in the Reviews and Complex Cases team, • an increase in costs of £35k resulting from higher numbers of clients who have no recourse to public funds. |
| Housing Strategy & Regeneration | 76 | 124 | <p>This relates to the Earls Court regeneration scheme and is due to the costs of security at 70 Lillie Road which cannot be allocated against costs of disposal as the 4% minimum revenue provision limit has been reached. Officers are pursuing options to reduce this cost going forward.</p> |

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|--|------------------------|-------------------|--|
| | £000 | £000 | |
| Housing Service | 43 | (25) | |
| Strategic Housing Stock Options Appraisal & Transfer | 735 | 0 | Although the budget was underspent this year, no variance is shown as the underspend has been carried forward to support ongoing costs in 2016/17. |
| Finance & Resources | 43 | (58) | This mainly relates to a review of staff responsibilities following a service reorganisation in early 2016. |
| Total | 8,723 | (13) | |

LIBRARIES & ARCHIVES (SHARED SERVICE)

Variance Analysis by Departmental Division

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|---------------------------------------|-------------------------------|--------------------------|--|
| | £000 | £000 | |
| Shared Service - Libraries & Archives | 2,199 | 0 | No material variances. |
| Total | 2,199 | 0 | |

PUBLIC HEALTH

Variance Analysis by Departmental Division

| Departmental Division | Revised Budget 2015/16 £000 | Year End Variance £000 | Explanation of Major Variances (over £100k) |
|--------------------------------------|--------------------------------|---------------------------|---|
| Public Health Grant Income | (22,688) | 1,530 | The national Public Health grant was reduced in-year, by 6.2% in addition to the budget being £163k more than the grant settlement (due to late notification by Department of Health). |
| Sexual Health | 6,410 | (63) | A range of minor variances. |
| Substance Misuse | 5,464 | (883) | Underspends were realised in detox placements due to re-procurement savings and closure of a high-cost unit. Reducing Reoffending also underspent due to lower levels of demand against purchased packages. |
| Behaviour Change | 2,753 | (592) | These are activity-based budgets, and for 2015/16, although activity increased, this was still below budget. In the Health Trainer service, the performance-related element was not triggered leading to an underspend. |
| Intelligence and Social Determinants | 89 | (74) | The funding of the Library Outreach Worker continued, but other costs such as software installations, forum expenses and specialist training were lower than anticipated. |
| Families and Children's Services | 5,135 | (789) | The main underspend was for Childhood Obesity, where the procurement produced tenders below the budget identified. In addition to starting late, the performance threshold wasn't reached, therefore reducing payments. |

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|--|------------------------|-------------------|---|
| | £000 | £000 | |
| Public Health Investment Fund | 2,185 | 420 | Further projects in Children's Services (Children's Centres replacement funding) were agreed within the year, in addition to those identified in the original budget. |
| Salaries and Overheads | 1,435 | (131) | Vacancies within the team throughout the year led to an underspend in salary costs. |
| Contribution to (-) or from Public Health balances | (783) | 582 | A smaller than anticipated drawdown from Public Health balances was needed due to the underspends noted above. |
| Total | 0 | 0 | |

APPENDIX 2

DEPARTMENTAL ANALYSIS – HOUSING REVENUE ACCOUNT (HRA) 2015/16 REVENUE OUTTURN

Variance Analysis by Departmental Division

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|------------------------------|-------------------------------|--------------------------|---|
| | £000 | £000 | |
| Housing Income | (78,784) | (1,779) | This is due mainly to an underspend on the bad debt provision (£227k) for rental income on Council homes, the effect of a lower than anticipated void rent loss (1.6% compared with budget of 2.0%) (£280k), a higher than expected number of relets being at target rent (£265k). Leaseholder service charges income has increased due to more accurate block maintenance cost information (£460k), further income has been achieved on commercial rents (£436k), and other minor variances totalling (£111k). |
| Finance and Resources | 9,711 | 899 | This relates to staffing underspends mainly due to the removal of the Executive Director post (£131k) and vacant posts in Leasehold Services and the Rent Income team (£166k) due to delays in recruitment following reorganisations and exacerbated by Agresso. In addition, there are underspends on recruitment costs (£99k), the release of a provision for redundancy costs no longer needed (£229k), a delay in a scheme to encourage direct debit take up (£141k), legal fees (£196k), underspends on projects (£188k), and other running costs (£302k). These underspends are offset by an overspend against a budgeted provision for risk of £2,351k which mostly relates to the need to provide for the potential impact of refunding tenants for water and sewerage charges following the outcome of a court case against Southwark Council. |

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|--|------------------------|-------------------|---|
| | £000 | £000 | |
| Housing Services | 9,758 | (772) | This relates to staffing underspends mainly due to delays in recruitment primarily as a result of Agresso and vacant posts (£283k). In addition, there are underspends on removals costs (£85k), project costs (£40k), compensation payments (£50k), energy costs (£100k) and other minor running cost variances (£214k). |
| Commissioning and Quality Assurance | 3,116 | (604) | This relates to underspends on decants and management transfers (£73k), delays in recruitment primarily due to Agresso following a reorganisation (£75k), delays on projects (£294k), an underspend on book-keeping and audit services (£55k), additional rechargeable income (£44k) and other minor variances (£63k). |
| Strategic Housing Stock Options Appraisal & Transfer | 0 | 184 | The expenditure on the options appraisal (£142k) and the transfer (£42k) programme was funded from the overall underspend within the Housing Revenue Account. |
| Property Services | 3,981 | (514) | This is mainly due to lower than expected staffing costs (£133k), higher capitalisation of staffing costs (£220k), and lower divisional running costs (£161k) |
| Housing Repairs | 12,203 | 415 | This is mostly due to an increase in the forecast number of empty Council homes which need to be brought up to a lettable standard. |
| Housing Options | 375 | (177) | This relates to an overspend on staffing of £77k offset by underspends on hostel repairs (£124k) and repairs costs for Temporary on Licence accommodation of (£43k), additional income (£44k) and other minor variances (£43k). |
| Adult Social Care | 48 | 0 | |
| Regeneration | 455 | 17 | This relates to a reduction in the capitalisation of staffing costs resulting from delays in commencing construction on Housing Development programme projects compared to the position assumed when the original budget was prepared. |
| Safer Neighbourhoods | 599 | (6) | |

| Departmental Division | Revised Budget 2015/16 | Year End Variance | Explanation of Major Variances (over £100k) |
|--|------------------------|-------------------|---|
| | £000 | £000 | |
| Housing Capital | 36,064 | (543) | This relates to additional interest receivable on HRA balances following a review of the average interest rate on short term investments and the forecast balances expected within the HRA general reserve, major repairs reserve and Decent Neighbourhoods Fund (£278k), a reduction in interest payable due to not undertaking budgeted additional borrowing (£265k). |
| (Contribution to)/ Appropriation From HRA General Reserve | (2,474) | (2,880) | |

4: HRA General Reserve

| | B/Fwd | Budgeted (Contribution to)/Appropriation from General Reserve | HRA Variance (Surplus)/ Deficit | C/Fwd |
|----------------------------|-----------------|---|---------------------------------|-----------------|
| | £000 | £000 | £000 | £000 |
| HRA General Reserve | (13,166) | (2,474) | (2,880) | (18,520) |

APPENDIX 3: EARMARKED RESERVES

| | | Balance at 31 March 2015 | Transfers Out 2015/16 | Transfers In 2015/16 | Movement Between Reserves | Balance at 31 March 2016 |
|----|--|-----------------------------------|-----------------------------|----------------------------|---------------------------------|-----------------------------------|
| | | £000 | £000 | £000 | £000 | £000 |
| | General Fund | | | | | |
| 1 | Insurance Fund | (5,842) | 122 | 0 | 0 | (5,720) |
| 2 | Controlled Parking Fund | (713) | 454 | (894) | 0 | (1,153) |
| 3 | Computer Replacement Fund | (1,413) | 176 | 0 | 0 | (1,237) |
| 4 | Information Technology (IT) Infrastructure | (5,403) | 1,847 | (800) | (172) | (4,528) |
| 5 | Efficiency Projects Reserve | (13,281) | 1,158 | (4,681) | 2,252 | (14,552) |
| 6 | Corporate Demand Pressures | (9,116) | 1,445 | (2,392) | 930 | (9,133) |
| 7 | Debtors/Creditors Review | (619) | 0 | 0 | 0 | (619) |
| 8 | Dilapidations/Office Moves | (4,311) | 63 | 0 | 0 | (4,248) |
| 9 | Housing Benefit | (2,248) | 0 | 0 | 0 | (2,248) |
| 10 | Planning Enquiries | (488) | 197 | 0 | 0 | (291) |
| 11 | London Pension Fund Authority (LPFA) Sub Fund | (1,000) | 0 | 0 | 0 | (1,000) |
| 12 | Bishops Park | (317) | 0 | 0 | 0 | (317) |
| 13 | Imperial Wharf | (800) | 0 | 0 | 800 | 0 |
| 14 | King Street Regeneration | (596) | 33 | 0 | 0 | (563) |
| 15 | Temporary Accommodation | (3,506) | 0 | 0 | 0 | (3,506) |
| 16 | Adult Social Care Pressures & Demands | (4,401) | 1,407 | 0 | 0 | (2,994) |
| 17 | Community Safety Reserve | (360) | 0 | 0 | 0 | (360) |
| 18 | Local Lead Flood Authority | (673) | 125 | 0 | 0 | (548) |
| 19 | Contribution to Local Election | (134) | 0 | (76) | 0 | (210) |
| 20 | Human Resources Reserve | (1,000) | 80 | 0 | 0 | (920) |
| 21 | Capital Reserves | (1,479) | 559 | 0 | (800) | (1,720) |
| 22 | Supporting People Programme | (1,989) | 180 | 0 | 0 | (1,809) |
| 23 | Children's Services (CHS) Pressures and Demands | (730) | 311 | 0 | 0 | (419) |
| 24 | CHS Shared Service Integration | (106) | 106 | 0 | 0 | 0 |
| 25 | Medium Term Financial Strategy (MTFS) Delivery Risk | (6,148) | 0 | 0 | 0 | (6,148) |
| 26 | Legal Fees Reserve | (20) | 20 | 0 | 0 | 0 |
| 27 | Managed Services | (876) | 2,252 | (550) | (3,110) | (2,284) |
| 28 | VAT Reserve | (2,500) | 0 | 0 | 0 | (2,500) |
| 29 | Business Board Reserve | (823) | 0 | (257) | 0 | (1,080) |
| 30 | Environmental Services - Fulham Palace Reserve | (568) | 0 | 0 | 0 | (568) |
| 31 | Total Facilities Management (TFM) Reserve | (1,113) | 273 | 0 | (50) | (890) |
| 32 | Third Sector Investment Fund (3SIF) Grant Reserve | (542) | 0 | (399) | 0 | (941) |
| 33 | Adult Social Care Portfolio Management | (335) | 0 | 0 | 0 | (335) |
| 34 | Troubled Families | (411) | 235 | (403) | 0 | (579) |
| 35 | Focus on Practice | (350) | 0 | (695) | 0 | (1,045) |
| 36 | Private Sector Landlord (PSL) Incentive Payments | (339) | 25 | 0 | 0 | (314) |
| 37 | Non-Domestic Rates (NDR) Deficit Support | (3,242) | 34 | 0 | 0 | (3,208) |
| 38 | H&F Direct (HFD) Budget Reserve | (600) | 361 | 0 | 0 | (239) |
| 39 | Customer Services Reserve | (450) | 0 | 0 | 0 | (450) |


| | | Balance at 31 March 2015 | Transfers Out 2015/16 | Transfers In 2015/16 | Movement Between Reserves | Balance at 31 March 2016 |
|----|--|-----------------------------------|-----------------------------|----------------------------|---------------------------------|-----------------------------------|
| | | £000 | £000 | £000 | £000 | £000 |
| 40 | Stock Options Appraisal | (1,200) | 734 | 0 | 0 | (466) |
| 41 | Redundancy Reserves | (3,747) | 0 | 0 | 0 | (3,747) |
| 42 | Other Funds | (3,672) | 1,175 | (566) | 150 | (2,913) |
| 43 | Transport for London (TFL) Street Management | (129) | 0 | 0 | 0 | (129) |
| 44 | Section 106 - Revenue Schemes | (1,398) | 10 | (2,246) | 0 | (3,634) |
| 45 | Adult Learning Skills Service (ALSS) Skills Funding Agency | (85) | 0 | 0 | 0 | (85) |
| 46 | CHS Adoption Reform Reserve | (140) | 0 | 0 | 0 | (140) |
| 47 | Other Revenue Grants | (307) | 40 | 0 | 0 | (267) |
| | General Fund Sub-Total | (89,520) | 13,422 | (13,959) | 0 | (90,057) |
| | Housing Revenue Account | | | | | |
| 48 | HRA IT Recharges Reserve | (347) | 0 | (379) | 0 | (726) |
| 49 | HRA Efficiency Reserve | (1,411) | 0 | 0 | 0 | (1,411) |
| 50 | HRA Non-dwellings Impairment Reserve | (6,635) | 0 | (780) | 0 | (7,415) |
| 51 | HRA Strategic Regeneration and Housing Development | (1,746) | 0 | (1,004) | (500) | (3,250) |
| 52 | HRA Utilities Reserve | (1,261) | 0 | (4,250) | 0 | (5,511) |
| 53 | HRA Commercial Property Leases | (94) | 0 | 0 | 0 | (94) |
| 54 | HRA Legal Costs | (200) | 200 | 0 | 0 | 0 |
| 55 | Improved Voids Specification | (500) | 0 | 0 | 500 | 0 |
| 56 | Sheltered Housing | (871) | 230 | 0 | 0 | (641) |
| 57 | Deed Pack Review Reserve | (300) | 0 | 0 | 0 | (300) |
| 58 | Stock Options Appraisal Reserve | (300) | 0 | (108) | 0 | (408) |
| 59 | Welfare Reform Reserve | (500) | 0 | (1,000) | 0 | (1,500) |
| 60 | Parking Charges Review Reserve | (606) | 0 | 0 | 0 | (606) |
| 61 | Community Pot | (19) | 0 | (19) | 0 | (38) |
| 62 | Customer Service Improvement Programme | 0 | 0 | (200) | 0 | (200) |
| 63 | Council Tax Voids | 0 | 0 | (95) | 0 | (95) |
| 64 | Office Reorganisations | 0 | 0 | (50) | 0 | (50) |
| 65 | HRA Managed Services | 0 | 0 | (300) | 0 | (300) |
| 66 | Commercial Properties Debt | 0 | 0 | (250) | 0 | (250) |
| | HRA Sub-Total | (14,790) | 430 | (8,435) | 0 | (22,795) |
| | Total | (104,310) | 13,852 | (22,394) | 0 | (112,852) |

APPENDIX 4: PROVISIONS

| | Insurance £000 | Non-Domestic Rates (NDR) - Losses on Appeals £000 | Other Provisions ⁴ £000 | Total £000 |
|---------------------------------|-------------------|---|--|-----------------|
| Balance at 31 March 2015 | (2,496) | (17,480) | (1,152) | (21,128) |
| Additional provisions | (36) | | | (36) |
| Amounts used | | 3,073 | 86 | 3,159 |
| Unused amounts reversed | | 4,263 | 763 | 5,026 |
| Balance at 31 March 2016 | (2,532) | (10,144) | (303) | (12,979) |
| <i>Of which:</i> | | | | |
| Next twelve months | (2,532) | (10,144) | | (12,676) |
| Over twelve months | | | (303) | (303) |
| Balance at 31 March 2016 | (2,532) | (10,144) | (303) | (12,979) |

⁴ Other Provisions include: £0.303m to cover Housing Revenue Account legal fees and disrepair cases

Agenda Item 6

| | |
|---|---|
| <p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 SEPTEMBER 2016</p> |  |
| CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2015/16 (OUTTURN) | |
| Report of the Cabinet Member for Finance – Councillor Max Schmid | |
| Open Report | |
| Classification: FOR DECISION | |
| Key Decision: Yes | |
| Wards Affected: ALL | |
| Accountable Executive Director: Hitesh Jolapara, Strategic Finance Director | |
| Report Author: Christopher Harris, Head of Corporate Accountancy and Capital | 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 2015-16. Total capital expenditure for the year was £95.8m and headline General Fund debt at the year-end was £45.3m.
- 1.2. This report also seeks approval for fourth-quarter 2015-16 budget variations. A net decrease of £31.4m (£23.6m General Fund, £7.8m Housing) to the 2015/16 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.
- 1.3. The 2015/16 accounts, which underpin figures in this report, remain subject to audit. The audit is anticipated to be finalised in mid-September 2016.

2. RECOMMENDATIONS

- 2.1. To note the capital out-turn for the year.
- 2.2. To approve proposed technical budget variations to the capital programme as summarised in Table 1 and detailed in Appendix 2.

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 2015-16 – OUTTURN AND Q4 VARIATIONS

4.1. Capital expenditure for 2015-16 totalled £95.8m. 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 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 2015-20 with proposed 2015/16 Q4 Variations

| | Proposed Variations: Q3 Budget to Q4 | | | | | Outturn 2015/16 £'000 | Next Year Programme | | | Indicative Future Years Analysis | | | |
|---|--------------------------------------|---|-------------------------------|--------------------|--------------------------------|--------------------------|----------------------------------|---|---------------------------------|----------------------------------|------------------|------------------|-----------------------------------|
| | Budget 2015/16 (Q3) £'000 | Slippages from/(to) future years £'000 | Addition/(Reduction) £'000 | Transfers £'000 | Total Variations (Q4) £'000 | | 2016/17 Original Budget £'000 | Slippages Additions and Reductions £'000 | 2016/17 Revised Budget £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | Total Budget (All years) £'000 |
| CAPITAL EXPENDITURE | | | | | | | | | | | | | |
| Children's Services | 30,924 | (14,747) | 2,862 | - | (11,885) | 19,039 | 30,199 | 14,747 | 44,946 | 12,045 | 390 | - | 76,420 |
| Adult Social Care | 2,456 | (838) | (227) | - | (1,065) | 1,391 | 1,707 | 838 | 2,545 | 450 | 450 | 450 | 5,286 |
| Environmental Services | 19,846 | (11,597) | 1,395 | - | (10,202) | 9,644 | 11,311 | 11,597 | 22,908 | 7,731 | 7,731 | 7,731 | 55,745 |
| Finance & Corporate Services | 436 | (436) | - | - | (436) | - | - | 436 | 436 | - | - | - | 436 |
| Libraries | 124 | (35) | - | - | (35) | 89 | 250 | 35 | 285 | - | - | - | 374 |
| Sub-total (Non-Housing) | 53,786 | (27,653) | 4,030 | - | (23,623) | 30,163 | 43,467 | 27,653 | 71,120 | 20,226 | 8,571 | 8,181 | 138,261 |
| HRA Programme | 55,062 | (1,468) | - | - | (1,468) | 53,593 | 47,836 | 1,468 | 49,304 | 26,117 | 21,131 | 21,943 | 172,088 |
| Decent Neighbourhoods Programme | 18,336 | (6,313) | - | - | (6,313) | 12,024 | 21,315 | 5,696 | 27,011 | 21,421 | 28,222 | 17,829 | 106,507 |
| Sub-total (Housing) | 73,398 | (7,781) | - | - | (7,781) | 65,617 | 69,151 | 7,164 | 76,315 | 47,538 | 49,353 | 39,772 | 278,595 |
| Total Expenditure | 127,184 | (35,434) | 4,030 | - | (31,404) | 95,780 | 112,618 | 34,817 | 147,435 | 67,764 | 57,924 | 47,953 | 416,856 |
| CAPITAL FINANCING | | | | | | | | | | | | | |
| Specific/External Financing: | | | | | | | | | | | | | |
| Government/Public Body Grants | 33,764 | (15,121) | 2,786 | - | (12,335) | 21,429 | 21,508 | 15,121 | 36,629 | 4,756 | 2,298 | 2,157 | 67,269 |
| Developers Contributions (S106) | 8,931 | (6,227) | 1,604 | - | (4,623) | 4,308 | 5,010 | 5,864 | 10,874 | - | - | - | 15,182 |
| Leaseholder Contributions (Housing) | 5,693 | (5,693) | - | - | (5,693) | - | 4,093 | 5,693 | 9,786 | 2,849 | 2,849 | 2,849 | 18,333 |
| Sub-total - Specific Financing | 48,388 | (27,041) | 4,390 | - | (22,651) | 25,737 | 30,611 | 26,678 | 57,289 | 7,605 | 5,147 | 5,006 | 100,784 |
| Mainstream Financing (Internal): | | | | | | | | | | | | | |
| Capital Receipts - General Fund | 10,943 | (7,491) | - | - | (7,491) | 3,452 | 11,280 | 7,491 | 18,771 | 5,550 | 5,480 | 5,480 | 38,733 |
| Capital Receipts - Housing* | 45,682 | (271) | 152 | - | (119) | 45,563 | 28,443 | 428 | 28,871 | 8,794 | 9,064 | 16,488 | 108,780 |
| Revenue funding - General Fund | 1,599 | (1,141) | (146) | - | (1,287) | 312 | 544 | 1,141 | 1,685 | 544 | 544 | 544 | 3,629 |
| Revenue Funding - HRA | 2,300 | - | - | - | - | 2,300 | 3,514 | - | 3,514 | 3,702 | 353 | 1,562 | 11,431 |
| Major Repairs Reserve (MRR) [Housing] | 16,849 | - | (164) | - | (164) | 16,685 | 17,377 | 110 | 17,487 | 17,820 | 18,325 | 18,873 | 89,190 |
| Earmarked Reserves (Revenue) | 423 | 393 | (202) | - | 191 | 614 | - | 10 | 10 | - | - | - | 624 |
| Sub-total - Mainstream Funding | 77,796 | (8,510) | (360) | - | (8,870) | 68,926 | 61,158 | 9,180 | 70,338 | 36,410 | 33,766 | 42,947 | 252,387 |
| Internal Borrowing | 1,000 | 117 | - | - | 117 | 1,117 | 20,849 | (1,041) | 19,808 | 23,749 | 19,011 | - | 63,685 |
| Total Capital Financing | 127,184 | (35,434) | 4,030 | - | (31,404) | 95,780 | 112,618 | 34,817 | 147,435 | 67,764 | 57,924 | 47,953 | 416,856 |

*Capital Receipts include use of brought forward Housing receipts

4.2. A net variation to the 2015/16 programme of **£(31.4)m** is proposed, decreasing total budgeted expenditure from £127.2m to £95.8m. Of the proposed net variation, £(35.4)m relates to slippages to future financial years. The remaining £4m 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 2016/17 programme of **£34.8m** is proposed. This is mainly attributable to slippages from 2015/16.

4.4. The capital programme presented here for 2015/16 and 2016/17 is based on approved projects and known funding allocations. The 2016/17 budget will be further updated in the first quarter monitor for 2016/17. The indicative future years analysis (2017+) 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.

5. CAPITAL FINANCE REQUIREMENT (CAPITAL DEBT)

- 5.1. The Capital Finance Requirement (CFR) measures the Council's long-term indebtedness. The General Fund Headline¹ CFR was **£45.3m** at the end of 2015-16. Table 2 below presents the forecast CFR position based on the continued application of surplus receipts.

Table 2 – General Fund CFR at Q4 2015-16 (including future years forecast)

| General Fund CFR Forecast | 2015/16 £m | 2016/17 £m | 2017/18 £m | 2018/19 £m | 2019/20 £m |
|--|---------------|---------------|---------------|---------------|---------------|
| Closing CFR (Including DSG-funded Schools Windows borrowing) | 45.30 | 58.44 | 61.09 | 62.26 | 63.14 |
| Closing CFR (Excluding DSG-funded Schools Windows borrowing) | 44.18 | 48.11 | 41.79 | 43.49 | 45.12 |

- 5.2. The HRA CFR is shown in Table 3 below:

Table 3 – HRA CFR at Q4 2015-16 (including future years forecast)

| HRA CFR Forecast | 2015/16 £m | 2016/17 £m | 2017/18 £m | 2018/19 £m | 2019/20 £m |
|---|---------------|---------------|---------------|---------------|---------------|
| Closing Forecast HRA CFR (excluding deferred costs of disposal) | 204.84 | 215.39 | 229.77 | 248.53 | 248.53 |
| Deferred Costs of Disposal | 5.29 | 5.29 | 5.29 | 5.29 | 5.29 |
| Closing Forecast HRA CFR (including deferred costs of disposal) | 210.13 | 220.68 | 235.05 | 253.81 | 253.81 |

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 overleaf.
- 6.2. The mainstream programme delivered a surplus in 2015/16 of £3.7m.
- 6.3. The 2015-16 mainstream programme has decreased by £8.5m in comparison to Q3 forecast budget of £12.6m. This is mainly due to slippages and re-profiling of the current capital schemes to future years.
- 6.4. General Fund Capital receipts for 2015-16 were £7.2m. An analysis and forecast of receipts is included at Appendix 3.
- 6.5. As at the end of 2015-16, £1m 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.

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

Table 4 – General Fund Mainstream Programme 2015-20 with proposed 2015/16 Q4 Variations

| | Budget 2015/16 (Q3) | Variations (Q4) | Outturn 2015/16 | 2016/17 Original Budget | Slippages from 2015/16 | 2016/17 Revised Budget | Indicative Budget 2017/18 | Indicative Budget 2018/19 | Indicative Budget 2019/20 | 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)* | 430 | (430) | - | 2,730 | 430 | 3,160 | 70 | - | - | 3,230 |
| Other Capital Schemes [ENV] | 1,100 | (1,048) | 52 | | 1,048 | 1,048 | - | - | - | 1,100 |
| Carnwath Road [ENV] | - | - | - | 3,070 | - | 3,070 | - | - | - | 3,070 |
| Fulham Cemetery (Porta Cabins) [ENV] | 85 | (85) | - | - | 85 | 85 | - | - | - | 85 |
| Rolling Programmes: | | | | | | | | | | |
| Disabled Facilities Grant [ASC] | 670 | (83) | 587 | 450 | 83 | 533 | 450 | 450 | 450 | 2,470 |
| Planned Maintenance/DDA Programme [ENV] | 7,233 | (6,208) | 1,025 | 2,500 | 6,208 | 8,708 | 2,500 | 2,500 | 2,500 | 17,233 |
| Footways and Carriageways [ENV] | 2,051 | (429) | 1,622 | 2,030 | 429 | 2,459 | 2,030 | 2,030 | 2,030 | 10,171 |
| Controlled Parking Zones [ENV] | 300 | (80) | 220 | 275 | 58 | 333 | 275 | 275 | 275 | 1,378 |
| Column Replacement [ENV] | - | 311 | 311 | 269 | - | 269 | 269 | 269 | 269 | 1,387 |
| Parks Programme [ENV] | 704 | (486) | 218 | 500 | 486 | 986 | 500 | 500 | 500 | 2,704 |
| Total Mainstream Programmes | 12,573 | (8,538) | 4,035 | 11,824 | 8,827 | 20,651 | 6,094 | 6,024 | 6,024 | 42,828 |
| Available and Approved Resource | | | | | | | | | | |
| Capital Receipts (total available) | 11,814 | (4,616) | 7,198 | 13,330 | (1,172) | 12,158 | 11,668 | 3,840 | 3,840 | 38,703 |
| General Fund Revenue Account | 1,599 | (1,016) | 583 | 544 | 1,136 | 1,680 | 544 | 544 | 544 | 3,895 |
| Available Mainstream Resource | 13,413 | (5,632) | 7,781 | 13,874 | (36) | 13,838 | 12,212 | 4,384 | 4,384 | 42,598 |
| In-year surplus/(deficit) | 840 | | 3,746 | 2,050 | (8,863) | (6,813) | 6,118 | (1,640) | (1,640) | |
| In-year debt reduction | - | | (902) | - | - | - | - | - | - | |
| Surplus/(deficit) brought-forward | - | | - | 840 | 2,004 | 2,844 | (3,969) | 2,148 | 508 | |
| Surplus/(deficit) carried forward | 840 | | 2,844 | 2,890 | (6,859) | (3,969) | 2,148 | 508 | (1,132) | |

7. OTHER PROGRAMMES

7.1. Housing Capital Programme

7.1.1 The expenditure and resource analysis for 2015-16 of the Housing Programme is summarised in Table 5 below:

Table 5 – Housing Capital Programme 2015-20 with proposed 2015/16 Q4 Variations

| | Budget 2015/16 (Q3) | Total Variations (Q4) | Outturn 2015/16 | 2016/17 Original Budget | Slippages, Additions and Reductions | 2016/17 Revised Budget | Indicative 2017/18 Budget | Indicative 2018/19 Budget | Indicative 2019/20 Budget | |
|--|---------------------------|-----------------------------|--------------------|-------------------------------|--|------------------------------|---------------------------------|---------------------------------|---------------------------------|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Approved Expenditure | | | | | | | | | | |
| Decent Neighbourhood Schemes | 18,336 | (6,313) | 12,023 | 21,315 | 5,696 | 27,011 | 21,421 | 28,222 | 17,829 | |
| HRA Schemes | 55,061 | (1,468) | 53,593 | 47,836 | 1,468 | 49,304 | 26,117 | 21,131 | 21,943 | |
| Total Housing Programme - Approved | 73,397 | (7,781) | 65,616 | 69,151 | 7,164 | 76,315 | 47,538 | 49,353 | 39,772 | |
| Available and Approved Resource | | | | | | | | | | |
| Capital Receipts - Unrestricted | 43,595 | 830 | 44,425 | 26,404 | (318) | 26,086 | 3,675 | 3,835 | 3,915 | |
| Capital Receipts - RTB (141) | 1,576 | (439) | 1,137 | 2,039 | 236 | 2,275 | 1,320 | 856 | 1,422 | |
| Capital Receipts - Sale of new build homes | 510 | (510) | - | - | 510 | 510 | - | - | - | |
| Earls Court Buyback rental income | - | - | - | 466 | (466) | - | - | - | - | |
| Earls Court Receipts recognisable | - | - | - | - | - | - | 3,799 | 4,374 | 11,151 | |
| Housing Revenue Account (revenue funding) | 2,300 | - | 2,300 | 3,048 | 466 | 3,514 | 3,702 | 353 | 1,562 | |
| Major Repairs Reserve (MRR) | 16,849 | (164) | 16,685 | 17,377 | 110 | 17,487 | 17,820 | 18,325 | 18,873 | |
| Contributions Developers (S106) | 2,778 | (1,817) | 961 | 3,450 | 1,857 | 5,307 | - | - | - | |
| Repayment of NHHT loan | - | - | - | 800 | - | 800 | - | - | - | |
| Contributions from leaseholders | 5,693 | (5,693) | - | 4,093 | 5,693 | 9,786 | 2,849 | 2,849 | 2,849 | |
| Capital Grants and Contributions from GLA Bodies | 96 | 12 | 108 | - | - | - | - | - | - | |
| Internal Borrowing | | | | 11,474 | (924) | 10,550 | 14,373 | 18,761 | - | |
| Total Funding | 73,397 | (7,781) | 65,616 | 69,151 | 7,164 | 76,315 | 47,538 | 49,353 | 39,772 | |

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 2015/16 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 2015/16 school programme budget has been adjusted by a net decrease of £9.7m, this is due mainly to slippages to 2016/17.

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.

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, Commercial and Corporate Property, 020 7361 2211.

10. FINANCIAL IMPLICATIONS

10.1. This report is wholly of a finance nature.

11. IMPLICATIONS FOR BUSINESS

11.1. The Council's Capital Programme represents significant expenditure within the Borough and consequently, where supplies are sourced locally, may impact either positively or negatively on local contractors and sub-contractors. Where capital expenditure increases, or is brought forward, this may have a beneficial impact on local businesses; conversely, where expenditure decreases, or is slipped, there may be an adverse impact on local businesses.

11.2. Implications completed by: Antonia Hollingsworth, Principal Business Investment Officer, Planning and Growth Dept. Tel: 020 8753 1698

12. RISK MANAGEMENT

12.1. 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.

12.2. 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.

12.3. Implications completed by: Michael Sloniowski, Shared Services Risk Manager ext. 2587

13. PROCUREMENT AND IT STRATEGY IMPLICATIONS

13.1. There are no immediate procurement implications arising from this report. The corporate Procurement team will advise and support service departments on their major capital procurements as and when such support is required, including consideration of whether and how any social value, local economic and community benefits might be obtained from these.

13.2. Implications verified/completed by: Alan Parry, Interim Head of Procurement (Job-Share) - 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., Room10, Hammersmith Town Hall |

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 | | | |
|---|----------------------------------|---|----------------------------|-----------|----------------------------------|--------------------|-------------------------------|--|------------------------------|----------------------------------|-------------------|-------------------|--------------------------------|
| | Analysis of Movements (Q3 to Q4) | | | | | | 2016/17 Original Budget | Slippages, Additions and Reductions | 2016/17 Revised Budget | 2017/18 Budget | 2018/19 Budget | 2019/20 Budget | Total Budget (All years) |
| | Budget 2015/16 (Q3) | Slippages from/(to) future years | Additions/ (Reductions) | Transfers | Total Transfers/ Virements | Outturn 2015/16 | | | | | | | |
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Scheme Expenditure Summary | | | | | | | | | | | | | |
| Lyric Theatre Development | 2,426 | (2,145) | - | - | (2,145) | 281 | - | 2,145 | 2,145 | - | - | - | 2,426 |
| Devolved Capital to Schools | - | - | 2,862 | - | 2,862 | 2,862 | - | - | - | - | - | - | 2,862 |
| Schools Organisational Strategy | 27,291 | (12,672) | - | - | (12,672) | 14,619 | 20,824 | 12,672 | 33,496 | 2,670 | 140 | - | 50,925 |
| Schools Window Replacement Project | 1,000 | 117 | - | - | 117 | 1,117 | 9,375 | (117) | 9,258 | 9,375 | 250 | - | 20,000 |
| Other Capital Schemes | 207 | (47) | - | - | (47) | 160 | - | 47 | 47 | - | - | - | 207 |
| Total Expenditure | 30,924 | (14,747) | 2,862 | - | (11,885) | 19,039 | 30,199 | 14,747 | 44,946 | 12,045 | 390 | - | 76,420 |
| Capital Financing Summary | | | | | | | | | | | | | |
| Specific/External or Other Financing | | | | | | | | | | | | | |
| Capital Grants from Central Government | 26,198 | (12,289) | 2,862 | - | (9,427) | 16,771 | 18,094 | 12,289 | 30,383 | 2,600 | 140 | - | 49,894 |
| Grants and Contributions from Private Developers (includes S106) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital Grants/Contributions from Non-departmental public bodies | 3,296 | (2,145) | - | - | (2,145) | 1,151 | - | 2,145 | 2,145 | - | - | - | 3,296 |
| Capital Grants and Contributions from GLA Bodies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-total - Specific or Other Financing | 29,494 | (14,434) | 2,862 | - | (11,572) | 17,922 | 18,094 | 14,434 | 32,528 | 2,600 | 140 | - | 53,190 |
| Mainstream Financing (Internal Council Resource) | | | | | | | | | | | | | |
| Capital Receipts | 200 | (200) | - | - | (200) | - | 2,730 | 200 | 2,930 | 70 | - | - | 3,000 |
| Housing Revenue Account (revenue funding) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Major Repairs Reserve (MRR) / Major Repairs | - | - | - | - | - | - | - | - | - | - | - | - | - |
| General Fund Revenue Account (revenue funding) | 230 | (230) | - | - | (230) | - | - | 230 | 230 | - | - | - | 230 |
| Use of Reserves | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-total - Mainstream Funding | 430 | (430) | - | - | (430) | - | 2,730 | 430 | 3,160 | 70 | - | - | 3,230 |
| Borrowing | 1,000 | 117 | - | - | 117 | 1,117 | 9,375 | (117) | 9,258 | 9,375 | 250 | - | 20,000 |
| Funding to be identified/agreed | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Financing | 30,924 | (14,747) | 2,862 | - | (11,885) | 19,039 | 30,199 | 14,747 | 44,946 | 12,045 | 390 | - | 76,420 |

Adult Social Care Services

| Current Year Programme | | | | | | Next Year Programme | | | Indicative Future Years Analysis | | | | |
|---|----------------------------------|-------------------------|--------------|----------------------------|----------------|---------------------|-------------------------|-------------------------------------|----------------------------------|----------------|----------------|----------------|--------------------------|
| Budget 2015/16 (Q3) | Analysis of Movements (Q3 to Q4) | | | | | Outturn 2015/16 | 2016/17 Original Budget | Slippages, Additions and Reductions | 2016/17 Revised Budget | 2017/18 Budget | 2018/19 Budget | 2019/20 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 |
| Extra Care New Build project (Adults' Personal Social Services Grant) | - | - | - | - | - | - | 957 | - | 957 | - | - | - | 957 |
| Community Capacity Grant | 507 | (244) | - | - | (244) | 263 | - | 244 | 244 | - | - | - | 507 |
| Parkview Project | 223 | - | (223) | - | (223) | - | - | - | - | - | - | - | - |
| Transforming Care (Winterbourne Grant) | - | - | - | - | - | - | 300 | - | 300 | - | - | - | 300 |
| Autism Capital Grant | 4 | - | (4) | - | (4) | - | - | - | - | - | - | - | - |
| Social Care Capital Grant | 511 | (511) | - | - | (511) | - | - | 511 | 511 | - | - | - | 511 |
| Disabled Facilities Grant | 1,211 | (83) | - | - | (83) | 1,128 | 450 | 83 | 533 | 450 | 450 | 450 | 3,011 |
| Total Expenditure | 2,456 | (838) | (227) | - | (1,065) | 1,391 | 1,707 | 838 | 2,545 | 450 | 450 | 450 | 5,286 |
| Capital Financing Summary | | | | | | | | | | | | | |
| Specific/External or Other Financing | | | | | | | | | | | | | |
| Capital Grants from Central Government | 1,563 | (755) | (4) | - | (759) | 804 | 957 | 755 | 1,712 | - | - | - | 2,516 |
| Grants and Contributions from Private Developers (includes S106) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital Grants/Contributions from Non-departmental public bodies | - | - | - | - | - | - | 300 | - | 300 | - | - | - | 300 |
| Capital Grants and Contributions from GLA Bodies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-total - Specific or Other Financing | 1,563 | (755) | (4) | - | (759) | 804 | 1,257 | 755 | 2,012 | - | - | - | 2,816 |
| Mainstream Financing (Internal Council Resource) | | | | | | | | | | | | | |
| Capital Receipts | 670 | (83) | - | - | (83) | 587 | 450 | 83 | 533 | 450 | 450 | 450 | 2,470 |
| Housing Revenue Account (revenue funding) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Major Repairs Reserve (MRR) / Major Repairs | - | - | - | - | - | - | - | - | - | - | - | - | - |
| General Fund Revenue Account (revenue funding) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Use of Reserves | 223 | - | (223) | - | (223) | - | - | - | - | - | - | - | - |
| Sub-total - Mainstream Funding | 893 | (83) | (223) | - | (306) | 587 | 450 | 83 | 533 | 450 | 450 | 450 | 2,470 |
| Borrowing | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Financing | 2,456 | (838) | (227) | - | (1,065) | 1,391 | 1,707 | 838 | 2,545 | 450 | 450 | 450 | 5,286 |

Environmental Services

| Current Year Programme | | | | | | Next Year Programme | | | Indicative Future Years Analysis | | | | |
|--|----------------------------------|-------------------------|--------------|----------------------------|-----------------|---------------------|-------------------------|-------------------------------------|----------------------------------|----------------|----------------|----------------|--------------------------|
| Budget 2015/16 (Q3) | Analysis of Movements (Q3 to Q4) | | | | | Outturn 2015/16 | 2016/17 Original Budget | Slippages, Additions and Reductions | 2016/17 Revised Budget | 2017/18 Budget | 2018/19 Budget | 2019/20 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 |
| Planned Maintenance/DDA Programme | 7,233 | (6,208) | - | (100) | (6,308) | 925 | 2,500 | 6,208 | 8,708 | 2,500 | 2,500 | 2,500 | 17,133 |
| Footways and Carriageways | 2,051 | (365) | - | (417) | (782) | 1,269 | 2,030 | 365 | 2,395 | 2,030 | 2,030 | 2,030 | 9,754 |
| Transport For London Schemes | 2,801 | (322) | - | (443) | (765) | 2,036 | 2,157 | 322 | 2,479 | 2,157 | 2,157 | 2,157 | 10,986 |
| Controlled Parking Zones | 299 | (57) | (172) | 150 | (79) | 220 | 275 | 57 | 332 | 275 | 275 | 275 | 1,377 |
| Column Replacement | - | (59) | - | 370 | 311 | 311 | 269 | 59 | 328 | 269 | 269 | 269 | 1,446 |
| Carnwath Road | - | - | - | - | - | - | 3,070 | - | 3,070 | - | - | - | 3,070 |
| Fulham Cemetery (Porta Cabin Facility) | 85 | (85) | - | - | (85) | - | - | 85 | 85 | - | - | - | 85 |
| Hammersmith Bridge Strengthening | 170 | (170) | - | 440 | 270 | 440 | - | 170 | 170 | - | - | - | 610 |
| Other Capital Schemes | 4,741 | (3,155) | 1,567 | - | (1,588) | 3,153 | - | 3,155 | 3,155 | - | - | - | 6,308 |
| Parks Expenditure | 1,760 | (926) | - | - | (926) | 834 | 500 | 926 | 1,426 | 500 | 500 | 500 | 3,760 |
| Shepherds Bush Common Improvements | 178 | (76) | - | - | (76) | 102 | 510 | 76 | 586 | - | - | - | 688 |
| Recycling | 19 | (19) | - | - | (19) | - | - | 19 | 19 | - | - | - | 19 |
| CCTV | 366 | (15) | - | - | (15) | 351 | - | 15 | 15 | - | - | - | 366 |
| Linford Christie Stadium Refurbishment | 143 | (140) | - | - | (140) | 3 | - | 140 | 140 | - | - | - | 143 |
| Total Expenditure | 19,846 | (11,597) | 1,395 | - | (10,202) | 9,644 | 11,311 | 11,597 | 22,908 | 7,731 | 7,731 | 7,731 | 55,745 |
| Capital Financing Summary | | | | | | | | | | | | | |
| Specific/External or Other Financing | | | | | | | | | | | | | |
| Capital Grants from Central Government | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Grants and Contributions from Private Developers (includes S106) | 5,593 | (3,939) | 1,604 | - | (2,335) | 3,258 | 510 | 3,536 | 4,046 | - | - | - | 7,304 |
| Capital Grants/Contributions from Non-departmental public bodies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital Grants and Contributions from GLA Bodies | 2,611 | 68 | (84) | - | (16) | 2,595 | 2,157 | (68) | 2,089 | 2,157 | 2,157 | 2,157 | 11,155 |
| Sub-total - Specific or Other Financing | 8,204 | (3,871) | 1,520 | - | (2,351) | 5,853 | 2,667 | 3,468 | 6,135 | 2,157 | 2,157 | 2,157 | 18,459 |
| Mainstream Financing (Internal Council Resource) | | | | | | | | | | | | | |
| Capital Receipts | 10,073 | (7,208) | - | - | (7,208) | 2,865 | 8,100 | 7,208 | 15,308 | 5,030 | 5,030 | 5,030 | 33,263 |
| General Fund Revenue Account (revenue funding) | 1,369 | (911) | (146) | - | (1,057) | 312 | 544 | 911 | 1,455 | 544 | 544 | 544 | 3,399 |
| Use of Reserves | 200 | 393 | 21 | - | 414 | 614 | - | 10 | 10 | - | - | - | 624 |
| Sub-total - Mainstream Funding | 11,642 | (7,726) | (125) | - | (7,851) | 3,791 | 8,644 | 8,129 | 16,773 | 5,574 | 5,574 | 5,574 | 37,286 |
| Borrowing | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Financing | 19,846 | (11,597) | 1,395 | - | (10,202) | 9,644 | 11,311 | 11,597 | 22,908 | 7,731 | 7,731 | 7,731 | 55,745 |

Finance & Corporate Governance

| Current Year Programme | | | | | | Next Year Programme | | | Indicative Future Years Analysis | | | | |
|---|---|---------------------------------|--------------------|------------------------------------|--------------|--------------------------|----------------------------------|--|----------------------------------|-------------------------|-------------------------|-------------------------|-----------------------------------|
| Budget 2015/16 (Q3) £'000 | Analysis of Movements (Q3 to Q4) | | | | | Outturn 2015/16 £'000 | 2016/17 Original Budget £'000 | Slippages, Additions and Reductions £'000 | 2016/17 Revised Budget £'000 | 2017/18 Budget £'000 | 2018/19 Budget £'000 | 2019/20 Budget £'000 | Total Budget (All years) £'000 |
| | Slippages from/(to) future years £'000 | Additions/(Reductions) £'000 | Transfers £'000 | Total Transfers/Virements £'000 | | | | | | | | | |
| | | | | | | | | | | | | | |
| Relocation of HAFAD to Edward Woods Community Centre and Related Refurbishment Requirements | 436 | (436) | - | - | (436) | - | - | 436 | 436 | - | - | - | 436 |
| Total Expenditure | 436 | (436) | - | - | (436) | - | - | 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 | | | | | | | | | | | | | |
| 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 | 436 | (436) | - | - | (436) | - | - | 436 | 436 | - | - | - | 436 |

Libraries Services

| Current Year Programme | | | | | | Next Year Programme | | | Indicative Future Years Analysis | | | |
|--|----------------------------------|------------------------|-----------|---------------------------|-----------------|-------------------------|------------------------------------|------------------------|----------------------------------|----------------|----------------|--------------------------|
| Analysis of Movements (Q3 to Q4) | | | | | | | | | | | | |
| Budget 2015/16 (Q3) | Slippages from/(to) future years | Additions/(Reductions) | Transfers | Total Transfers/Virements | Outturn 2015/16 | 2016/17 Original Budget | Slippages, Additions and Reduction | 2016/17 Revised Budget | 2017/18 Budget | 2018/19 Budget | 2019/20 Budget | Total Budget (All years) |
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Scheme Expenditure Summary | | | | | | | | | | | | |
| Hammersmith Library Refurbishment Project | 124 | (35) | - | (35) | 89 | 250 | 35 | 285 | - | - | - | 374 |
| Total Expenditure | 124 | (35) | - | (35) | 89 | 250 | 35 | 285 | - | - | - | 374 |
| Capital Financing Summary | | | | | | | | | | | | |
| Specific/External or Other Financing | | | | | | | | | | | | |
| Capital Grants from Central Government | - | - | - | - | - | - | - | - | - | - | - | - |
| Grants and Contributions from Private Developers (includes S106) | 124 | (35) | - | (35) | 89 | 250 | 35 | 285 | - | - | - | 374 |
| Capital Grants/Contributions from Non-departmental public bodies | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital Grants and Contributions from GLA Bodies | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-total - Specific or Other Financing | 124 | (35) | - | (35) | 89 | 250 | 35 | 285 | - | - | - | 374 |
| 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 | 124 | (35) | - | (35) | 89 | 250 | 35 | 285 | - | - | - | 374 |

Housing Capital Programme

| | Current Year Programme | | | | | Next Year Programme | | | Indicative Future Years Analysis | | | | |
|--|------------------------|----------------------------------|-------------------------|-----------|----------------------------|---------------------|-------------------------|-------------------------------------|----------------------------------|----------------|----------------|----------------|--------------------------|
| | Budget 2015/16 (Q3) | Analysis of Movements (Q3 to Q4) | | | | Outturn 2015/16 | 2016/17 Original Budget | Slippages, Additions and Reductions | 2016/17 Revised Budget | 2017/18 Budget | 2018/19 Budget | 2019/20 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 | |
| Scheme Expenditure Summary | | | | | | | | | | | | | |
| HRA Schemes: | | | | | | | | | | | | | |
| Supply Initiatives (Major Voids) | 2,487 | (422) | - | 1,000 | 578 | 3,065 | 939 | 422 | 1,361 | - | - | - | 4,426 |
| Energy Schemes | 3,035 | 480 | - | - | 480 | 3,515 | 3,961 | (480) | 3,481 | 2,150 | 1,885 | 2,057 | 13,088 |
| Lift Schemes | 4,270 | (2,413) | - | - | (2,413) | 1,857 | 6,373 | 2,413 | 8,786 | 5,101 | 2,687 | 94 | 18,525 |
| Internal Modernisation | 6,100 | 769 | - | - | 769 | 6,869 | 1,408 | (769) | 639 | - | - | 1,403 | 8,911 |
| Major Refurbishments | 14,392 | (76) | - | (230) | (306) | 14,086 | 16,565 | 76 | 16,641 | 12,202 | 11,874 | 13,746 | 68,549 |
| Planned Maintenance Framework | 15,709 | 2,350 | - | (1,110) | 1,240 | 16,949 | 9,071 | (2,350) | 6,721 | - | - | - | 23,670 |
| Minor Programmes | 7,756 | (2,142) | - | 340 | (1,802) | 5,954 | 8,346 | 2,142 | 10,488 | 6,707 | 5,722 | 6,694 | 35,565 |
| ASC/ELRS Managed | 1,312 | (14) | - | - | (14) | 1,298 | 1,173 | 14 | 1,187 | 950 | 823 | 888 | 5,146 |
| Rephasing & Reprogramming | - | - | - | - | - | - | - | - | - | (993) | (1,860) | (2,939) | (5,792) |
| Subtotal HRA | 55,061 | (1,468) | - | - | (1,468) | 53,593 | 47,836 | 1,468 | 49,304 | 26,117 | 21,131 | 21,943 | 172,088 |
| Decent Neighbourhood Schemes: | | | | | | | | | | | | | |
| Earls Court Buy Back Costs | 10,907 | (2,186) | - | - | (2,186) | 8,721 | 10,506 | 1,571 | 12,077 | 16,378 | 24,128 | 13,782 | 75,086 |
| Earls Court Project Team Costs | 794 | (794) | - | - | (794) | - | 4,636 | 794 | 5,430 | 5,043 | 4,094 | 4,047 | 18,614 |
| Housing Development Project | 3,076 | (2,656) | - | - | (2,656) | 420 | 4,928 | 2,654 | 7,582 | - | - | - | 8,002 |
| Other DNP projects | 3,560 | (677) | - | - | (677) | 2,883 | 1,245 | 677 | 1,922 | - | - | - | 4,805 |
| Subtotal Decent Neighbourhoods | 18,337 | (6,313) | - | - | (6,313) | 12,024 | 21,315 | 5,696 | 27,011 | 21,421 | 28,222 | 17,829 | 106,507 |
| Total Expenditure | 73,398 | (7,781) | - | - | (7,781) | 65,617 | 69,151 | 7,164 | 76,315 | 47,538 | 49,353 | 39,772 | 278,595 |
| Capital Financing Summary | | | | | | | | | | | | | |
| Specific/External or Other Financing | | | | | | | | | | | | | |
| Contributions from leaseholders | 5,693 | (5,693) | - | - | (5,693) | - | 4,093 | 5,693 | 9,786 | 2,849 | 2,849 | 2,849 | 18,333 |
| Grants and Contributions from Private Developers (includes S106) | 2,778 | (1,817) | - | - | (1,817) | 961 | 4,250 | 1,857 | 6,107 | - | - | - | 7,068 |
| Capital Grants and Contributions from GLA Bodies | 96 | - | 12 | - | 12 | 108 | - | - | - | - | - | - | 108 |
| Sub-total - Specific or Other Financing | 8,567 | (7,510) | 12 | - | (7,498) | 1,069 | 8,343 | 7,550 | 15,893 | 2,849 | 2,849 | 2,849 | 25,509 |
| Mainstream Financing (Internal Council Resource) | | | | | | | | | | | | | |
| Capital Receipts | 45,682 | (271) | 152 | - | (119) | 45,563 | 28,443 | 428 | 28,871 | 8,794 | 9,065 | 16,488 | 108,781 |
| Housing Revenue Account (revenue funding) | 2,300 | - | - | - | - | 2,300 | 3,514 | - | 3,514 | 3,702 | 353 | 1,562 | 11,431 |
| Major Repairs Reserve (MRR) / Major Repairs | 16,849 | - | (164) | - | (164) | 16,685 | 17,377 | 110 | 17,487 | 17,820 | 18,325 | 18,873 | 89,190 |
| Sub-total - Mainstream Funding | 64,831 | (271) | (12) | - | (283) | 64,548 | 49,334 | 538 | 49,872 | 30,316 | 27,743 | 36,923 | 209,402 |
| Borrowing (Internal Borrowing) | - | - | - | - | - | - | 11,474 | (924) | 10,550 | 14,373 | 18,761 | - | 43,684 |
| Total Capital Financing | 73,398 | (7,781) | - | - | (7,781) | 65,617 | 69,151 | 7,164 | 76,315 | 47,538 | 49,353 | 39,772 | 278,595 |

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 | 2,862 |
| School's Organisation Strategy – Slippage to 2016/17 in respect of the following projects: Slippage of Unallocated funds and Contingency £7,468k Sacred Heart High School £1,008k William Morris £1,313k Slippage on other external grant funded schemes £2,883k | (12,672) |
| Schools Windows Replacement Project –costs brought forward in relation to pre-contract fees | 117 |
| Other Capital Schemes – slippages in respect of Universal Infant School Meals Grant (£14k) and Short Breaks Grant (£33k) | (47) |
| Lyric Theatre - Slippage While the project is substantially complete, the slippage represents retained amounts to be paid over and amounts spent directly by Lyric which will be subsumed into overall project cost pending agreements of final account. | (2,145) |
| Total CHS variations | (11,885) |
| Adult Social Care (ASC) | |
| Community Capacity Grant - slippage mainly due to project delays | (244) |
| White City Collaborative Care (Parkview)-reduction in budget as no further expenditure expected | (223) |
| Disabled Facilities Grant- slippage due to lead time required for assessment and approval of applications for works to be carried out | (83) |
| Social Care Capital Grant- slippage due to the delay in projects | (511) |
| Autism grant – reduction in budget as project completed | (4) |
| Total ASC variations | (1,065) |
| Environmental Services (ENV) | |
| Slippage of £(322)k of TFL funded schemes due to project delays, £(443)k of budget variance relates to budget realignment between the schemes | (765) |
| Footways and Carriageways-£(365)k slippage due to delayed start of capital works, £(417)k of budget variance relates to budget realignment between the schemes | (782) |
| Controlled Parking Zones- variance consists of £(57)k slippage, £(172)k reduction in the budget and £150k of budget variance related to budget realignment between the schemes | (79) |
| Planned Maintenance/DDA Programme-slippage of £(6.2)m 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. £(100)k of budget variance relates to transfer between the schemes | (6,308) |
| Column Replacement- £370k of budget variance relates to transfer between the schemes and £(59)k slippage | 311 |
| Hammersmith Bridge Strengthening –total variance consists of £(170)k of slippage and £440k of transfers between the schemes in order to align budgets | 270 |
| Slippage on Other Capital Schemes- £(1.6)m net budget variance consists of £1.6m of additional budget mainly in relation to London Cycle Hire project (approved by Cabinet on 03/09/2012) and £(3.2)m slippages of which £(1)m relates to Parking Pay and Display Project, £(1.8)m to various S106 schemes and £(0.3)m to West London Empty homes | (1,588) |

| | |
|---|-----------------|
| Recycling –slippages due to the project delays | (19) |
| Parks Programme –slippages on a number of smaller parks capital schemes due to phasing of works | (926) |
| Fulham Cemetery Porta Cabin Facility –slippage due to delay in the project start as a result in changes in the project plans | (85) |
| Public CCTV-slippage due to budget phasing not being aligned with network expansion. | (15) |
| Linford Christie Stadium Refurbishment-slippage due to delay in the project start | (140) |
| Shepherds Bush Common Improvements-slippage mainly due to old Ginglyk Club works. Awaiting Legal and Cabinet decision on the most appropriate course of action. | (76) |
| Total ENV variations | (10,202) |
| Finance and Corporate Services (FCS) | |
| Relocation of HAFAD to Edward Woods Centre – project slippage pending potential review of project | (436) |
| Total FCS variations | (436) |
| Libraries Services | |
| Library Refurbishment – slippage of residual external works and retained sums | (35) |
| Total Libraries variations | (35) |
| Housing Capital Programme | |
| HRA schemes- net slippage of £(1.5)m consist of: <ul style="list-style-type: none"> • Budget slippages to future years of £(5.1)m due to delays in procurement and extended lead-in times (Lifts Schemes) and minor delays and unused contingencies (Minor Schemes); budget for potential environmental works not used as projects not developed in light of changing priorities • Slippages from the future years totalling £3.6m due to accelerated boiler replacement programme and additional works on installations, additional planned maintenance works required and contractor bringing forward works on Internal Modernisation schemes | (1,469) |
| Earls Court-slippage due to actual number of 2015/16 Earls Court buybacks being lower than forecasted in Q3 | (2,186) |
| Earls Court project Team Costs –slippage due to the project delays | (794) |
| Housing Development Project- slippages result of delay in start of the existing housing development schemes due to the procurement issues | (2,656) |
| Other DNP projects- slippages caused by ongoing delays at Watermeadow Court and Edith Summerskill House Decant and slower than expected progress on Housing Estates Improvement programme schemes. | (677) |
| Total Housing variations | (7,782) |
| Grand Total 2015-16 Variations | (31,404) |

Appendix 3 – General Fund – Forecast Capital Receipts

| Year/Property | Previous Forecast £'000s | Movement/ Slippage £'000s | 2015/16 Outturn £'000s | Deposit received to date £'000s | Full sales proceeds @ Q4 £'000s | Deferred Costs of Disposal reserved £'000s |
|------------------------|-----------------------------|---------------------------------|------------------------------|--|--|--|
| 2015/16 | | | | | | |
| Total 2015/16* | 11,814 | (4,616) | 7,198 | - | 7,405 | - |
| 2016/17 | | | | | | |
| Total 2016/17* | 13,330 | (1,173) | 12,158 | - | - | 549 |
| 2017/18 | | | | | | |
| Total 2017/18* | 9,840 | 1,828 | 11,668 | 250 | - | 449 |
| 2018/19 | | | | | | |
| Total 2018/19* | 3,840 | - | 3,840 | - | - | - |
| 2019/20 | | | | | | |
| Total 2019/20* | 3,840 | - | 3,840 | - | - | - |
| Total All Years | 42,664 | (3,961) | 38,703 | 250 | 7,405 | 998 |

*Net of disposal costs

| | | |
|--|--|--|
| <p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 SEPTEMBER 2016</p> | |  |
| <p>ICT TRANSITION PHASE 4 – AUTHORITY TO NOVATE ICT CONTRACTS FROM HFBP TO THE COUNCIL AND OTHER PROVIDERS</p> | | |
| <p>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 Decision</p> <p>Key Decision: Yes</p> | | |
| <p>Wards Affected: All</p> | | |
| <p>Accountable Director: Ed Garcez, Chief Information Officer</p> | | |
| <p>Report Author: Jackie Hudson, Transition Director, shared ICT services</p> | | <p>Contact Details: Tel: 020 8753 2946 Email: jackie.hudson@lbhf.gov.uk</p> |

1. EXECUTIVE SUMMARY

- 1.1. H&F Bridge Partnership Limited (HFBP), a joint venture company owned by Agilisys Limited and the Council, currently provides all ICT services to the Council. The HFBP service contract expires on 31 October 2016. HFBP holds and manages all of the Council's ICT contracts as sub-contracts under the HFBP services contract. These sub-contracts have a total annual value of around £2m. When the HFBP service contract expires it will become necessary for all these sub-contracts to (i) expire or be terminated (ii) be novated to the Council or (iii) be novated to a new service provider.

2. RECOMMENDATIONS

- 2.1 That the novation of the contracts listed in **Appendix 1** from H&F Bridge Partnership Limited to the Council be approved.
- 2.2 That the novation of the contracts listed in **Appendix 2** from H&F Bridge Partnership Limited to the service providers specified in that appendix be agreed.

3. REASONS FOR DECISION

- 3.1. The Council has business critical services, which it has to continue to provide following the end of the service contract with HFBP.
- 3.2. In order to assure those services, which are underpinned by a wide range of contracts from third party suppliers, the Council must make a decision on where the contracts are to be held and managed in future, because it has to both assure service and procure in line with the relevant procurement regulations.

4. PROPOSAL AND ISSUES

- 4.1. Since 1st November 2006, HFBP has procured all ICT services, hardware and software on behalf of the Council.
- 4.2. These contracts have been made directly between HFBP and the supplier. For contract law purposes, these are therefore sub-contracts.
- 4.3. The contracts list has been categorised into the following: departmental applications and corporate services which will be novated to the Council listed at **Appendix 1**; other service tower 1 to 4 contracts which will be novated to the relevant new service providers listed at **Appendix 2**.
- 4.4. Departments and Shared ICT services have now completed their procurement plans for applications (around 50 contracts in total) and other services.
- 4.5. As well as the contracts listed in the Appendices, it is also proposed to novate the Council's current print contract with Xerox. This contract was the subject of a separate paper to Cabinet in June 2016.
- 4.6. For the ICT contracts associated with the service towers 1 – 4, ie those the in-house shared ICT services will hold and manage from 1 November 2016, the lead project manager for each tower has made recommendations on the novation of those to suppliers for those towers as shown at **Appendix 2**.
- 4.7. The Council's CMO has now written to all the suppliers of the contracts above to indicate the Council's intention to novate the contracts either to the Council (departmental applications) or to other suppliers (service towers 1 to 4). Once novation of the contracts has been approved by Cabinet, Legal services can arrange for the novation agreements to be entered into to take effect from 1 November 2016.

5. RISK MANAGEMENT

- 5.1. Contract novations form part of the Council's Information and Communications Technology Transition mitigation plan. The approach seeks to ensure that, through planned novation, the risk of service interruption is reduced to as low as reasonably practicable and in line with management of risk 6, Business Resilience, on the Council's Shared Services risk register.

- 5.2. Changes post novation will need to be recognised on individual service departments own business continuity plans.
- 5.3. Risk Management implications verified by Michael Sloniowski, Shared Services Risk Manager – 0208 753 2587.

6. LEGAL IMPLICATIONS

- 6.1. Legal services have provided general advice to client departments on the extent to which the sub-contracts held by HFBP can be extended past the expiry of the HFBP service contract and subsequently novated to the Council or to a new service provider.
- 6.2. As set out in the exempt report on the exempt Cabinet agenda.
- 6.3. Implications completed by: Cath Tempest, Senior Solicitor (Contracts) telephone 020 8753 2774.

7. FINANCIAL IMPLICATIONS

- 7.1. Cabinet on 6th of July 2015 approved funding to implement the transition of ICT services to new suppliers. The transition costs in relation to cost of contract novation, at this point there are none envisaged, can be funded from that budget.
- 7.2. This has no impact on the overall saving target for 2017/18 of £4,700,000.
- 7.3. Verified by: Gary Ironmonger, Finance Manager, Revenue Monitoring, Finance. Telephone 020 8753 2109.

8. IMPLICATIONS FOR BUSINESS

- 8.1. Previous papers on the ICT procurement strategy and approach have dealt with the social value aspects of ICT procurement.
- 8.2. Verified by Antonia Hollingsworth, Principal Business Investment Officer, Economic Development Learning & Skills, Planning & Growth. Telephone 020 8753 1698

9. PROCUREMENT IMPLICATIONS

- 9.1. The Interim Head of Procurement agrees with the recommendations contained in the report and the analysis provided in the Legal Implications in section 6.
- 9.2. Where the total estimated value exceeds £100,000 Service Directors are required to prepared for the Cabinet's consideration individual procurement strategies and business cases for each tendering exercise in accordance with section 8 of the 2016 Contracts Standing Orders.

Verified by: Alan Parry, Interim Head of Procurement (Job-share).
Telephone 020 8753 2581.

10. CONSULTATION AND EQUALITY IMPLICATIONS

10.1. Not applicable.

11. IT STRATEGY IMPLICATIONS

11.1. The report is aligned with the current shared services ICT strategy and vision.

11.2. Verified by: Ed Garcez, CIO, 020 8753 2900.

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 Contracts which will novate to the Council

Appendix 2 Contracts which will novate to other suppliers

Appendix 1 Contracts which will novate to the council

| Dept. | Supplier Name | Description | Title of Application | Contract Start Date | Annual spend | Contract End Date |
|-------------|----------------------|---|---|---------------------|--------------|-------------------|
| ASC and CHS | Servelec Corelogic | Frameworki Hosted Managed Service for Adults and Children's | Frameworki | 01/01/2014 | £330,241 | 16/01/2017 |
| ASC | Servelec Abacus | Abacus Supporting People | Abacus Supporting People and Annual Support and Maintenance | 01/01/2000 | £20,640 | 31/01/2017 |
| Children's | CACI | Pan London schools admissions | Impulse | 01/11/2008 | £2,237 | 31/01/2016 |
| Children's | Ministry of Justice | CJSM is Criminal Justice Secure Mail | CJSM | 01/11/2008 | £0 | |
| Children's | Open Objects | Family and Community Hub Directory | Family Hub | 01/07/2009 | £4,995 | 30/06/2016 |
| Children's | Servelec Synergy | Tribal education Products | Tribal Education Modules and Annual Support and Maintenance | 17/12/2003 | £46,188 | 30/04/2017 |
| ELRS | Artifax Software Ltd | Online booking system | Online booking system (sports) | 26/04/2002 | £4,287 | 22/01/2017 |
| ELRS | Trapeze | Fleetmaster | Fleetmaster | 01/02/2011 | £20,528 | 31/01/2017 |
| ELRS | Whitespace | Power Suite Maintenance | Waste Manager | 01/01/2011 | £5,028 | 30/11/2016 |
| Environment | IDOX Plc | Uniform hosted Service | Uniform | 16/06/2014 | £277,775 | 31/03/2017 |
| Environment | Info Exchange | Accident Reporting system | Enable Infomatrix | 01/11/2010 | £2,917 | 31/10/2016 |
| Environment | Limehouse Software | Collaborated Publisher licences, Hosting and Database load services for Local Development Framework (LDF) project | LDF Framework | 18/06/2008 | £9,793 | 31/12/2016 |
| Environment | Metric Group | Autoslot Pay & Display management system | METRIC ASLAN | 01/07/2007 | £14,910 | 31/08/2016 |
| Environment | Mindworks | Time recording | Mindworks (Procon) | 28/07/2007 | £4,500 | 31/12/2020 |

| Dept. | Supplier Name | Description | Title of Application | Contract Start Date | Annual spend | Contract End Date |
|-------------|------------------------------|---|--|---------------------|--------------|-------------------|
| Environment | Pillar Software | Profess Support Fees - Site Licence | Profess & Time Manager | 06/04/2006 | £5,607 | 31/03/2017 |
| Environment | Pitney Bowes | Support for Service Agreement JBB-251-026 for Confirm Modules and Licences CONF02037A, CONF04147A, CONF07019A, CONF07020A, CONF02038A & CONF0201A | Confirm Annual Support and Maintenance | 21/12/2010 | £61,597 | 20/12/2016 |
| Environment | Resolution Data Management | Online submission of Building Control applications | Submit-a-Plan | 01/11/2007 | £1,598 | 15/01/2017 |
| Environment | Snap | Snap Surveys | SNAP | 01/05/2008 | £785 | 31/03/2015 |
| Environment | Symology | Insight Support | SYMOLOGY | 31/03/2008 | £8,429 | 31/03/2017 |
| Environment | Tribal Technology Ltd | MIS EBS contract for ALSS | MIS EBS | 14/12/2007 | £64,923 | 29/02/2020 |
| Environment | Zenco | CCTV Software | Parking Tickets CCTV | 26/03/2012 | £54,157 | 31/03/2017 |
| FCS | Capita Business Services Ltd | Software Maintenance for Revenues Products | Academy Revenues and Benefits | 24/09/2007 | £134,152 | 31/03/2017 |
| FCS | Computacenter (Uk) Ltd | Egress Standard Support and Maintenance for 1500 users | Egress Switch | 01/08/2013 | £5,400 | 31/07/2016 |
| FCS | Delib | Website hosting | Citizens Space Local Support and Consultation | 25/02/2014 | £4,500 | 25/02/2017 |
| FCS | Due North | Read only ProContract access | ProContract | 16/07/2008 | £6,000 | 30/09/2016 |
| FCS | ESRI UK | ARC IMS PRODUCT | GIS ArcInfo ArcEditor ArcSDE ArcIMS ArcView ProTerritory | 01/11/2007 | £35,455 | 17/07/2016 |
| FCS | Experian Ltd | Bank Wizard Licence | Revenues and Benefits | 14/10/2008 | £3,510 | 19/11/2016 |
| FCS | Halarose | Eros AVantGuard | Eros | 07/08/2009 | £18,439 | 28/02/2017 |
| FCS | iCasework Ltd | iCasework annual support and subscription | e-Forms, NonStopGov Annual Support | 18/11/2009 | £14,094 | 31/03/2017 |


| Dept. | Supplier Name | Description | Title of Application | Contract Start Date | Annual spend | Contract End Date |
|---------|---------------------------------|--|--|---------------------|--------------|-------------------|
| FCS | Intec Public Sector | Incase Intelligence Licence and Support | Incase Intelligence | 12/05/2003 | £6,028 | 31/03/2016 |
| FCS | Midland HR & Payroll Solutions | iTrent read only System | Trent | 01/08/2015 | £10,574 | 31/07/2020 |
| FCS | Modern Mindset | Modern.Gov Maintenance | MODERNGOV | 01/01/2009 | £7,010 | 31/12/2016 |
| FCS | Northgate | EDMS Records Management and GIMv" | EDMS | 01/08/2010 | £56,253 | 31/07/2016 |
| FCS | Pillar Software | Profess Support Fees - Site Licence | Profess & Time Manager | 06/04/2006 | £5,607 | 31/03/2017 |
| FCS | ROL Solutions | Govmetric Core Service | GovMetric | 05/06/2009 | £12,308 | 10/08/2016 |
| FCS | Scan Coin | Support and maintenance of Payment Kiosk | Payment Kiosk | 28/05/2010 | £3,888 | 27/05/2017 |
| FCS | Tricostar | Timebase Case Management System | Timebase | 10/04/2013 | £21,960 | 31/08/2016 |
| FCS | VisionWare plc | Multi-View IDSVR 1st Server Licence Annual Support and Maintenance | Client Index Support and Maintenance | 31/03/2007 | £33,920 | 30/03/2017 |
| FCS | Zipporah | Online Bookings | eBookings Generic, SMS and Kiosk | 26/10/2010 | £17,200 | 28/02/2017 |
| Housing | Bentley | M & E Designers | Hevacomp | 01/03/2007 | £721 | 31/03/2017 |
| Housing | CDPSoft Limited | CDP Sharp application known as PATHS Database | PATHS Database | 01/11/2009 | £10,900 | 31/10/2016 |
| Housing | Electronic Business Systems Ltd | ReACT Annual Support and Maintenance | ReAct - case management anti-social behaviour | 31/01/2013 | £5,916 | 01/02/2017 |
| Housing | Northgate | i-World Support and Maintenance | i-World Support and Maintenance | 11/09/2002 | £116,716 | 31/07/2016 |
| ICT | BT | One Bill Acc No. VP10890270 & VP 72297470 | Telephony lines - these are the overall accounts covering the majority of LBHF BT telephone lines (VP10890270) and private circuits (VP72297470) | 01/03/2013 | £390,445 | 31/03/2017 |
| ICT | BTS Holdings | BTS Call logger | Call logger - logs calls either direct or via Openscape | 01/03/2003 | £3,429 | 31/12/2017 |

| Dept. | Supplier Name | Description | Title of Application | Contract Start Date | Annual spend | Contract End Date |
|-------------------|----------------------------------|--|--|---------------------|--------------|-------------------|
| ICT | Level 3 Communications FibreSpan | Dark Fibre Network Annual Rental and Maintenance | Dark Fibre Network Annual Rental and Maintenance | 18/06/2008 | £35,541 | 31/12/2016 |
| ICT | Netcall | IVR | Telecom Services - IVR | 09/07/2014 | £107,066 | 08/07/2017 |
| ICT | Unify | Siemens Openscape + Software Assurance Contract 44033389 | Siemens Openscape + Software Assurance | 01/04/2011 | £140,212 | 30/09/2016 |
| ICT | Virgin Business Media | Private Circuit accounts | Private Circuits | various | £175,000 | 31/10/2016 |
| ICT | Vodafone | Vodafone Mobile Billing | Mobile Phone Services | 01/11/2015 | £300,000 | 30/06/2016 |
| Libraries | Bibliotheca | RFID Maintenance for Self Service Kiosks at Hammersmith Library and RFID equipment in Askew Road, Avonmore, Hammersmith, Fulham, and Shepherds Bush libraries. | RFID | | £14,220 | 30/06/2019 |
| Libraries | Insight Media | iCAM Booking system | iCAM | 21/08/2009 | £4,317 | 31/07/2016 |
| ICT and Libraries | London Grid for Learning | LGFL Broadband Connection | People's Network | 08/09/2009 | £97,275 | 31/03/2017 |

Appendix 2 Contracts which will novate to other suppliers

| Dept . | Service Tower | Supplier Name | Description | Title of Application | Contract Start Date | Annual spend | Contract End Date | Proposed new third party service provider |
|--------|---------------|--------------------------------------|---|---|---------------------|--------------|-------------------|---|
| ICT | 1 | Agilisys Managed Services | MessageLabs | Antivirus and Image control | 01/11/2012 | £12,390 | 30/11/2015 | BT |
| ICT | 4 | Colt Telephony | Call Charges | Voice Connect Rental & Telephony Call Usage: 1,000 parking meters, 200 analogue lines, 260 ISDN lines | 08/12/2009 | £300,000 | 31/12/2016 | BT |
| ICT | 1 | Comparex | Antivirus Maintenance Renewal | AV Maintenance Renewal | 01/11/2007 | £28,000 | 30/09/2016 | BT |
| ICT | 1 | Comparex / Agilisys Managed Services | ESET Antivirus for servers | Antivirus | 01/11/2012 | £28,000 | Rolling | BT |
| ICT | 4 | Constant Power | Power Maintenance for Town Hall | Power Maintenance | 10/10/2007 | £2,410 | 17/09/2016 | BT |
| ICT | 1 | Digital Pathways | Remote access licence and tokens | Remote access | 01/12/2003 | £23,912 | 30/11/2016 | BT |
| ICT | 1 | MTI | Sophos Encryption Manager Licences and support | Encryption | 01/10/2010 | £5,740 | 20/03/2017 | BT |
| ICT | 1 | MTI | Websense proxy security support | Websense | 31/05/2014 | £15,200 | 31/10/2016 | BT |
| ICT | 3 | Oracle Corporation UK Ltd | Software Licence Support | Oracle Support and Maintenance | various | £63,884 | 26/03/2017 | BT |
| ICT | 4 | TalkTalk (formerly Opal) | Parking Meters Call Charges | Telephony Call Usage | 28/03/2007 | £120,000 | 31/03/2017 | BT |
| ICT | 4 | Vodafone | 35 ADSL Broadband accounts for non-networked Council premises such as hostels | Home Broadband | 01/01/2000 | £8,050 | 31/03/2015 | BT |

| Dept . | Service Tower | Supplier Name | Description | Title of Application | Contract Start Date | Annual spend | Contract End Date | Proposed new third party service provider |
|-----------|------------------|---------------|-----------------------------------|----------------------|------------------------|-----------------|----------------------|---|
| | | | and for specific officers etc. | | | | | |

| | |
|---|--|
| <p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 SEPTEMBER 2016</p> |  |
| TREASURY OUTTURN REPORT 2015/16 | |
| 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 Finance Director | |
| <p>Report Author: Halfield Jackman, Treasury Manager</p> | <p>Contact Details: Tel: 020 7641 4354 E-mail: hjackman@westminster.gov.uk</p> |

1. EXECUTIVE SUMMARY

- 1.1. This report presents the Council's Outturn Treasury Report for 2015/16 in accordance with the Council's treasury management practices.

2. RECOMMENDATIONS

- 2.1. That this report be noted.

3. REASONS FOR DECISION

- 3.1. The Code of Practice on Treasury Management 2011, adopted by the Chartered Institute of Public Finance and Accountancy and later by the Council, requires the following:
- Creation and maintenance of a treasury management policy statement which sets out the policies and objectives of the Council's treasury management activities. This was reported to the Cabinet in January 2012;
 - Creation and maintenance of treasury management practices which set out the manner in which the Council will seek to achieve those policies and objectives;

- Receipt by the full Council of an annual treasury management strategy report for the year ahead and a mid-year review of the strategy;
- Receipt by the Cabinet Member for Finance and Strategy, the Audit and Transparency Committee and full Council of an annual review of the previous year (this report);
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and the execution and administration of treasury management decisions; and
- Delegation by the Council of the role of scrutinising of treasury management strategy and policy to a specific named body, which for this Council is the Audit and Transparency Committee.

4. INTRODUCTION AND BACKGROUND

4.1. Treasury management in this context is defined as:

“The management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”¹

4.2. This annual treasury report covers:

- the treasury position as at 31 March 2016;
- the borrowing strategy for 2015/16;
- the borrowing outturn for 2015/16;
- compliance with treasury limits and prudential indicators;
- investment strategy for 2015/16; and
- investment outturn for 2015/16.

5. CURRENT TREASURY POSITION

5.1. The Council’s debt (all held with the Public Works Loan Board - PWLB) and investment positions at the beginning and end of the year were as follows:

| £ million | 31 March 2015 Principal | Rate/ Return at 31 March 2015 | 31 March 2016 Principal | Rate/ Return at 31 March 2016 |
|---------------------------------|-------------------------|-------------------------------|-------------------------|-------------------------------|
| Fixed Rate Borrowing | | | | |
| General Fund (GF) | 42.30 | 5.38% | 39.62 | 5.11% |
| Housing Revenue Account (HRA) | 205.30 | 5.38% | 192.28 | 5.11% |
| Total / Weighted Average | 247.60 | 5.38% | 231.90 | 5.11% |
| Investments | | | | |
| Total / Weighted Average | 359.78 | 0.50% | 299.24 | 0.59% |

¹ Treasury Management Policy Statement adopted by Cabinet – 31 January 2012

5.2. The table below shows the allocation of interest paid and received during the year:

| Fund | Interest Paid | | Interest Received | | Net £m |
|-------------------------|--------------------|----------------|--------------------|--------------|---------------|
| | Apportionment % | Amount £m | Apportionment % | Amount £m | |
| General Fund | 17.1 | (2.22) | 62 | 1.25 | (0.97) |
| Housing Revenue Account | 82.9 | (10.79) | 25 | 0.48 | (10.31) |
| other* | - | - | 13 | 0.28 | 0.28 |
| Total | 100 | (13.01) | 100 | 2.01 | (11.0) |

* Other – Interest paid on balances held for Section 106 and other deposits.

5.3. Following the implementation of the self-financing initiative for housing, the Housing Revenue Account (HRA) is responsible for servicing 82.9% of the Council's external debt and the General Fund is responsible for the remainder.

5.4. **The Strategy for 2015/16**

5.5. The treasury strategy for 2015/16, approved by the Council on 2 February 2015, was based on the expectation that Bank rate would remain at the current level for most of the year.

5.6. Taking into account the worldwide economic climate it was considered appropriate to keep investments short-term and only invest with highly rated or UK Government backed institutions, resulting in relatively low returns compared to borrowing rates.

5.7. Due to the level of cash balances held by the Council (£360 million at 31 March 2015), it was anticipated that there would not be any need to borrow during 2015/16.

5.8. **Outturn for 2015/16**

5.9. Market expectations for an increase in Bank Rate moved during the year, starting at the third quarter of 2015, moving to the first quarter of 2016 and ending the year at the second quarter of 2017. Post year end the Base Rate has been cut to 0.25% and future increased pushed further back.

5.10. There has been some market volatility in equity prices during the year with corresponding impacts on bond prices and bond yields as investors sought safe havens. Bank Rate remained unchanged at 0.5%. Growth in the UK's Gross Domestic Product fell steadily from an annual rate of 2.9% in the first quarter of 2015 to 2.1% in the fourth quarter. Inflation forecasts have also been revised downwards.

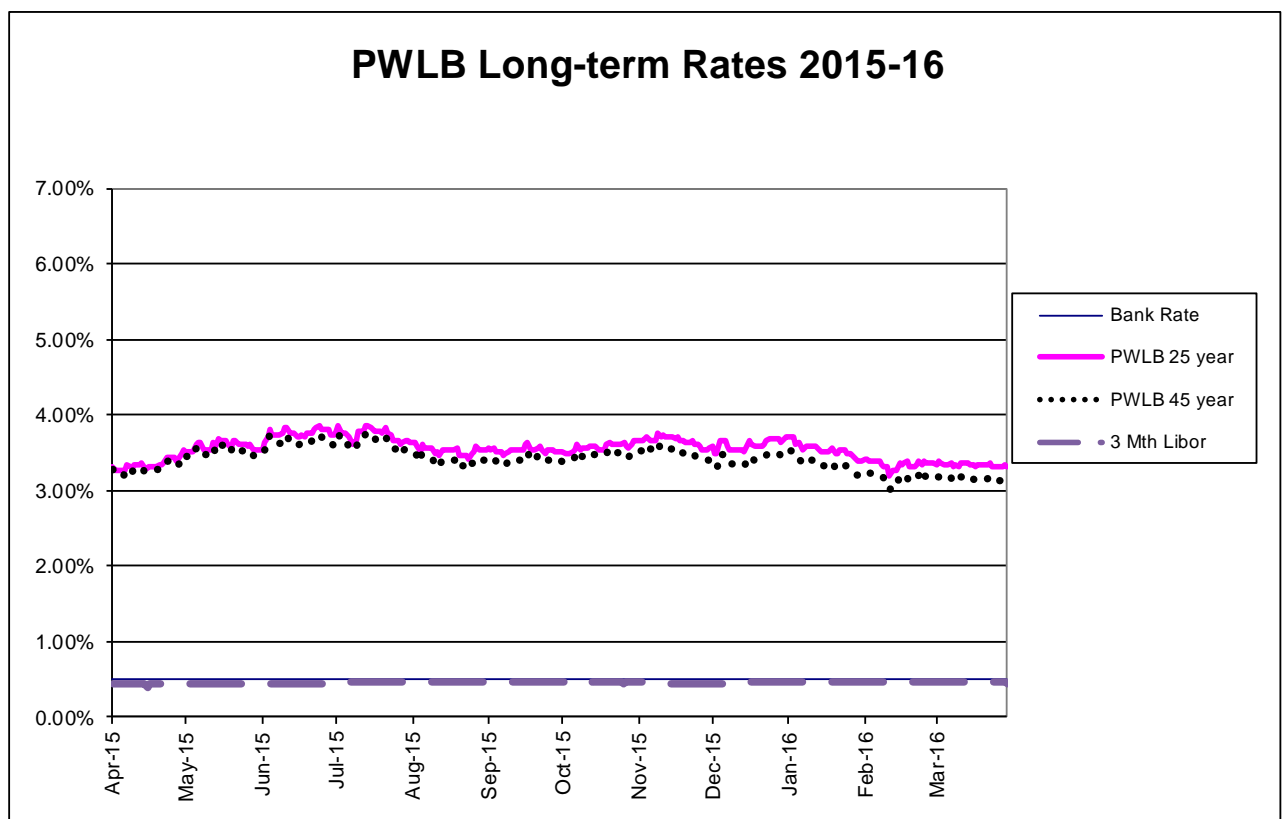
5.11. The European Central Bank commenced a quantitative easing programme in March purchasing sovereign bonds and securities from European institutions and national agencies at €60 billion a month. This is planned to continue until March 2017.

5.12. A majority Conservative government was elected in May 2015. The government has maintained the coalition's Government's fiscal policy but the recent downturn in expectations for economic growth has made it more difficult to return the public sector net borrowing to a balanced annual position.

5.13. Treasury Borrowing

5.14. No new long-term borrowing was undertaken during the year. Public Works Loans Board (PWLB) debt maturing during the year, which was not refinanced, totalled £15.7 million with an average nominal interest rate of 9.3 per cent. This resulted in a reduction in debt to £232 million and the average interest rates went from 5.38% to 5.11%.

5.15. The following graph shows the levels of Bank of England Bank rate, three month London Interbank Offer Rate (LIBOR), PWLB 25 and 45 year rates during the year:



5.16. The Bank of England Bank rate remained at its historic low of 0.5% throughout the year, for the seventh successive year. Deposit rates remained depressed during the whole year due to the ongoing weak expectation as to when the Bank rate would start rising.

5.17. In general, there has seen some movement of PWLB rates throughout the year but rates ended close to where they started.

5.18. Housing Revenue Account (HRA) Self Financing

5.19. Following the implementation of the self-financing initiative the HRA could potentially be in a position where it is internally borrowing from the general fund. In 2015/16 the HRA PWLB debt of £192 million has dropped below the HRA CFR of £205 million, which generates internal borrowing of £13 million. This difference does not, as yet, exceed the value of HRA working balances. As such, the HRA could be considered to be borrowing from itself. Moving forwards, a policy will need to be considered concerning the charging of interest in the event that the HRA is internally borrowing from the general fund. HRA reserves and working capital, in excess of the internal borrowing, represents cash balances on which interest is allocated from the general fund. As at 31 March 2016, the HRA held cash balances of £70.4 million.

5.20. Capital Financing Requirement (CFR)

5.21. As at 31 March 2016, the Council had an under-borrowed position². 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).

The Closing Capital Financing Requirement analysed between General Fund and Housing Revenue Account.

| £'000 | 31 st March 2015 CFR | 31 st March 2015 DEBT | 31 st March 2016 CFR | 31 st March 2016 DEBT |
|---|---------------------------------------|--|---------------------------------------|--|
| GF CFR (Excluding DSG funded Schools Windows Borrowing) | 45.182 | - | 44.179 | - |
| GF CFR (DSG funded Schools Windows borrowing) | - | - | 1.117 | - |
| GF TOTAL | 45.182 | 42.296 | 45.296 | 39.614 |
| HRA TOTAL | 204.846 | 205.302 | 204.846 | 192.282 |
| TOTAL CFR/DEBT | 250.028 | 247.598 | 250.142 | 231.896 |

NB: The 'headline' CFR shown above is the consistent with capital reports. The annual accounts disclose CFR of £267.58 million due to the inclusion of PFI, finance leases and deferred cost of disposal.

² 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.

5.22. Annual Investment Strategy for 2015/16

5.23. The 2015/16 Strategy was written with the knowledge that throughout the financial crisis institutions benefited from sovereign support but changes to the regulatory regime (Bail-in) meant support would be withdrawn and Credit ratings would fall at some point within the year. These changes did not reflect deterioration in the credit environment, more a realignment away from placing the burden on Governments (and taxpayers) on to institution bondholders.

5.24. Throughout the year the Council's strategy gradually moved away from fixed deposits with Banks to higher rated and more tradable investments like Government Treasury Bills (T/Bills), Supra-Nationals Banks and European Agencies, close to maturity Bonds, Certificates of Deposit and Commercial Paper.

- The Council strategy allowed investment in the following areas:
- An unlimited investment limit with the UK Government (DMO) deposits, UK gilts, Repos and T/Bills.
- Up to a maximum of £100 million per counterparty in Supra-national Banks, European Agencies and covered bonds debt on a buy to hold basis with maturity dates of up to five years. Transport for London(TfL) and Greater London Authority (GLA) for up to three years;
- No more than £25 million to be invested with any individual Money Market Fund.
- Any financial instrument held with a UK bank limited to £70 million depending on Credit rating and Government ownership above 25%. (A self-imposed limit of £50 million was implemented which has been further reduced temporarily to £25 million)
- Any financial instrument held with a Non-UK bank limited to £50 million. (A self-imposed limit of £30 million)

5.25. A small deposit was held in a National Westminster Bank call account to aid cash flow.

5.26. Investment Outturn for 2015/16

5.27. The investments outstanding at 31 March 2016 amounted to £299.24 million invested in short-term deposits. This compares with £359.78 million short-term investments at 1 April 2015.

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

| (£m) | 31/03/14 | 31/03/15 | 31/03/16 |
|-----------------------|-----------------|-----------------|-----------------|
| Liquid Deposits | - | - | 0.90 |
| Money Market Funds | 39.20 | 34.15 | 33.70 |
| Notice Accounts | 25.00 | 14.00 | 19.90 |
| Custodian Held Assets | 189.50 | 212.13 | 204.74 |
| Term Deposits | 66.50 | 99.50 | 40.00 |
| Total | 320.20 | 359.78 | 299.24 |

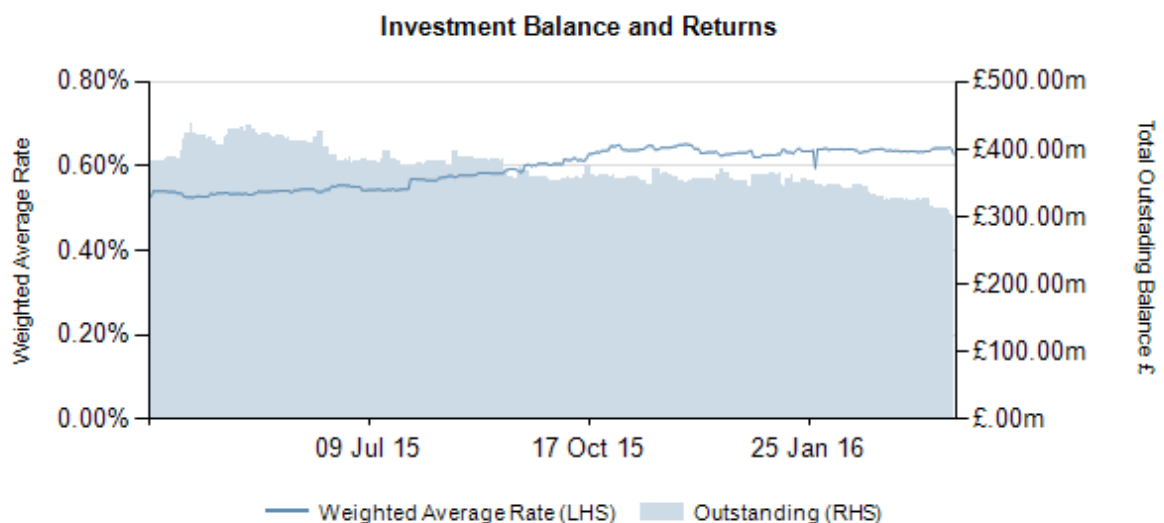
5.29. Investment balances reduced by £60 million during the year. The value of cash available for investment is impacted by:

- New borrowing and debt maturities,
- The capital programme – acquisitions and disposals
- Changes in reserves – additional reserves represent income banked for future use,
- Changes in debtors and creditors (working capital) – collecting debts more quickly increases cash balances while paying creditors more quickly leads to lower cash balances

5.30. Changes in cash are therefore an aggregation of many factors and are not equivalent to measuring the Council’s overall surplus or deficit in the year. For example a reduction in cash due to paying creditors more quickly could be seen as socially responsible, where as an increase in cash due to delaying payments will be seen in a less favourable light. The main factors impacting on the reduction in investment balances in 2015-16 are:

- Debt maturities of £16 million
- Cash in transit of £31 million not banked relating to schools, which is reflected in higher debtor balances.
- Reduction in creditors for grants and provisions of £12 million (cash reduction)
- Other factors in aggregation – net cash reduction of £1 million.

5.31. The investments outstanding during the year together with the average return are shown in the diagram below. Cash balances varied between £435 million and £300 million reflecting the timing of the Council’s income and expenditure. Balances tend to be highest in the June quarter due to grant and Council tax payments



5.32. The average return achieved on investments managed internally for the year was 0.59 per cent compared to the average 7 day money market rate (uncompounded) of 0.36 per cent. The total interest received of £2 million (compared with a weighted average of 0.50 per cent and a total interest £1.85 million for 2014/15). Interest rates remained low throughout the year; the Council follows a low risk strategy and does not seek potential higher returns which would increase counterparty risk.

6. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

6.1. During the financial year the Council operated within the treasury limits set out in the Council’s Treasury Policy Statement and Treasury Strategy Statement. The outturn for Treasury Management Prudential Indicators is shown in **appendix A**.

6.2. Non Treasury related Prudential Indicators are set and monitored as part of the Council’s Budget process.

7. CONSULTATION

7.1. N/A – for information only.

8. EQUALITY IMPLICATIONS

8.1. N/A – for information only.

9. LEGAL IMPLICATIONS

9.1. N/A – for information only.

10. FINANCIAL AND RESOURCES IMPLICATIONS

10.1. N/A – for information only.

11. RISK MANAGEMENT

11.1. N/A – for information only.

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

12.1. N/A – for information only.

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

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

LIST OF APPENDICES:


Appendix A – Treasury Management Prudential indicators

**LBHF – TREASURY MANAGEMENT PRUDENTIAL INDICATORS
2015/16**

| Indicator | Approved Limit | Actual Debt | No. of days Limit Exceeded |
|--|-----------------------|--------------------|-----------------------------------|
| Authorised Limit ³ | £345m | | None |
| Operational Boundary ⁴ | £290m | £231.9m | None |
| Interest Rate Exposure | Lower Limit | Upper Limit | Actual at 31 Mar 2016 |
| Fixed Rate Debt | £0m | £345m | £232m |
| Variable Rate Debt | £0m | £69m | £0m |
| Maturity Structure of Borrowing | Lower Limit | Upper Limit | Actual at 31 Mar 2016 |
| Under 12 Months | 0% | 15% | 3% |
| 12 Mths to within 24 Mths | 0% | 15% | 3% |
| 24 Mths to within 5 years | 0% | 60% | 11% |
| 5 years to within 10 years | 0% | 75% | 9% |
| Over 10 years | 0% | 100% | 74% |

³ 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.

⁴ The Operational Boundary is the expected normal upper requirement for borrowing in the year.

| | |
|---|---|
| <p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 SEPTEMBER 2016</p> |  |
| <p>LEARNING DISABILITY PROCUREMENT STRATEGY FOR FLEXIBLE SUPPORT</p> | |
| <p>Report of the Cabinet Member for Health and Adult Social Care : Councillor Vivienne Lukey</p> | |
| <p>Open Report</p> | |
| <p>Classification - For Decision</p> | |
| <p>Key Decision: YES</p> | |
| <p>Wards Affected: All</p> | |
| <p>Accountable Director: Mike Boyle, Director of Strategic Commissioning and Enterprise Adult Social Care and Health</p> | |
| <p>Report Author: Christine Baker, Category Manager Ann Lloyd, Strategic Commissioner</p> | <p>Contact Details: Tel: 020 8753 1477 E-mail: christine.baker@lbhf.gov.uk</p> |

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the procurement strategy for a range of care and support services for people with learning disabilities (LD). The aim is to improve personal outcomes, choice and control and ensure compliance with the Care Act 2014.
- 1.2 Approval is requested to procure a contract with a strategic provider to deliver flexible support to people with care and support needs, to develop the detail of approaches required and to manage and account for customers' personal budgets through Individual Service Fund (ISF) arrangements.
- 1.3 Due to the complexity of needs amongst (LD) customers and market challenges, it is recommended that the evaluation for the procurement of the contracts uses a 40% price and 60% quality weighting to ensure the delivery of quality services.
- 1.4 The provider would have to demonstrate that they can deliver strategic objectives and work with customers to develop person centred support plans and form partnerships with community and voluntary sector resources to enable more choice in meeting needs.
- 1.5 There are currently two block contracts for supported housing and residential care for people with LD which expire end June 2017 with an annual contract

value of circa £2.8m. By moving to the new model, efficiencies of up to 10% of that value are anticipated to be made over the first two years. Further efficiencies will be worked on by providers during the contract term.

2. RECOMMENDATIONS

- 2.1 That the strategic approach for the procurement of support and services to promote choice and control for people with learning disabilities, be approved.
- 2.2 That the procurement of a contract using a competitive dialogue procedure, to deliver flexible support, with a strategic provider partner, be approved.
- 2.3 To note that the term of the contract will be 1st July 2017 to 30th June 2022 (with the possibility of two annual extensions to 30th June 2024). The total value of the five year contract proposed including two possible annual extensions is estimated to be £19,524,106.

3. REASONS FOR DECISION

- 3.1 The procurement strategy supports compliance with Care Act duties to promote choice and shape the market and the requirement for local authorities to facilitate a range of methods through which people can manage their personal budgets.
- 3.2 Two contracts for accommodation-based support for 55 people with LD expire 30 June 2017. The Council needs to ensure ongoing local supply, sufficiency and choice to meet the high demand for LD supported living and complexity of need.
- 3.3 The procurement will enable a quality assured provider to hold personal budgets and plan support with individuals using ISF arrangements to ensure personalised approaches and choice in how needs and outcomes are met.
- 3.4 The approach should widen the market and deliver efficiencies. The ability of the provider to sub-contract for specific needs or activities could help smaller providers to enter the market by partnering with strategic providers.

4. INTRODUCTION AND BACKGROUND

- 4.1 The Housing Strategy for LD highlights growing need for supported living and accommodation. Increasingly people with eligible needs have mobility or behavioural issues requiring specific support. Work is underway to improve access and choice. The strategic provider partner would be expected to improve support pathways, expanding choice and access to accommodation.
- 4.2 There are two block contracts with two providers for 55 units of supported accommodation and residential care for people with LD in H&F. These are due to expire 30 June 2017. Spend on these services is circa £2.8m (see Appendix A).
- 4.3 The Care Act requires that people with eligible needs have a personal budget allocation (a known sum of money) with which they can plan to meet their needs.

5. BUSINESS PROPOSAL AND ISSUES

Personalisation, Choice and Control

- 5.1 Traditional tendering has limited innovation and has seen some providers under-bidding resulting in quality concerns as well as limiting choice for customers. We need arrangements that support genuine choice and deliver individual outcomes.
- 5.2 Care Act statutory guidance says councils should have an ISF offer. An ISF gives a person choice about how their needs are met and how support is provided, but without managing the budget (as in a Direct Payment). The provider holds and accounts for the budget and works with the person to plan support and deliver it flexibly in line with needs and outcomes. An ISF agreement between the person and provider sets out costs, support and how to end the agreement.

Business Case Including Evidence Base and Efficiencies

- 5.3 Evidence (TLAP 2015) shows positive impacts of flexible support with improved well-being, outcomes, satisfaction and efficiency. Paid support is targeted only where needed, making the most of networks, families, and assistive technology.
- 5.4 Evidence from Southwark (Better Lives, 2015) demonstrated significant savings over 4 years for a provider moving from a block contract to contracts for 83 ISFs.
- 5.5 Savings of up to 10% over 2 years compared with block contract costs are anticipated. Targets will be refined with analysis of costs per individual. Key to efficiencies will be providers having flexibility in how they deliver outcomes

Procurement Approach and Quality

- 5.6 The procurement of a contract with a strategic provider will enable that provider to hold personal budgets and plan support with individuals using ISF arrangements to ensure personalised approaches and choice in how needs and outcomes are met. The contract would require the provider to:
- deliver flexible support to meet needs in line with people's desired outcomes, and the required quality standards (including by other providers)
 - have systems to be accountable and personalised approaches to ensure people are fully involved in how and when their support is arranged
 - focus on outcomes maximising people's community/family networks, and assistive technology so paid support is used only where needed
 - promote choice for individuals in how and when their support is delivered.
- 5.7 The contract would allow the Council to collaboratively develop approaches, and understand cost benefits and personal outcomes whilst sustaining a viable market. This builds on learning from existing work in H&F. The approach could support smaller and community providers, linking with the strategic provider.
- 5.8 A five year contract (with two possibilities of annual extension) allows time to develop and implement more personalised approaches, to plan strategically and to achieve efficiencies.
- 5.9 The recommended procurement approach involves phased implementation (Appendix B). In October 2016 providers will be invited to tender for a contract as

a strategic provider. The contract specification will cover items set out in 5.6 plus delivering any essential services in line with health and safety requirements.

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1 There are a number of procurement and contract options available to the Councils in relation to these contracts:

- a. Allow current contracts to expire and offer customers direct payments
- b. Allow current contracts to expire and move to spot contract arrangements
- c. Re-procure new contracts for all block arrangements
- d. Commence a procurement exercise to establish a contract for flexible support
- e. Commence a procurement exercise to establish a contract for flexible support but have available other options e.g. spot contracts and block contracts.

Appraisal of options

- 6.2 Option a: is **not** recommended, as whilst there is a strong desire to increase uptake of direct payments, these will not be suitable or favoured by everyone, so direct contracts with providers will still be required.
- 6.3 Option b: Moving entirely to spot arrangements is **not** recommended as this will not allow the Council and providers to develop the market in line with the market shaping, choice and control requirements of the Care Act 2014.
- 6.4 Option c: Re-procuring all as block contracts is **not** recommended as this does not support market choice for those with learning disabilities. It does not offer the flexibility required to be fully responsive, accountable and person-centred.
- 6.5 Option d: is **not** recommended as the Council may still need the option to have some block contracts in a few special circumstances.
- 6.6 Option e: is the **recommended option** as a contract for the delivery of flexible support with a strategic provider (with the options to still have some separately procured block contracts) adds to the contractual approaches available to the Council, underpins strategic objectives, and meets Care Act duties to promote choice.

7. CONSULTATION

- 7.1 Over the last year, there has been provider engagement about alternative contractual models to support more flexible and person-centred approaches. Providers have also developed proposals for flexible and personalised work. Customers have said they want more choice in support and who supports them. More details on consultation are available in Appendix B.
- 7.2 Customers will be involved in the development of the specification and the tender evaluation process.

8. EQUALITY IMPLICATIONS

- 8.1 The proposal should extend choice, control, and community engagement. More flexibility of support in line with people's needs would have a positive impact on people with LD so an Equalities Impact Assessment has not been completed.

9. LEGAL IMPLICATIONS

- 9.1 The proposed contract with a strategic provider falls within the Light Touch Regime (LTR) under Chapter 3, Section 7 of the Public Contracts Regulations 2015 ("the Regulations"), as set out in Schedule 3 for contracts relating to social and other specific services. Services subject to the LTR, with a contract value that exceeds the current threshold of £589,148 is subject to the full requirements of Regulations 2015.
- 9.2 The procurement strategy process and procedure used to procure contracts for services under the LTR allow for significant flexibilities under the Regulations to maximise possible benefits. However, the mandatory requirements must be noted and complied with under section 13 of the report, in particular, paragraph 13.8 (i) – (v) of this report to ensure the principles of procurement are complied with in accordance with Regulation 18 of the Regulations.
- 9.3 Legal implications verified by Sharon Cudjoe, Solicitor, Shared Legal Services, sharon.cudjoe@rbkc.gov.uk Tel: 020 7361 2993.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1 For year one, the strategic provider contract value would be calculated on the basis of the annual contract value for 16/17 less 5% for each service.
- 10.2 As part of the procurement the provider will be asked to illustrate how in year one of the contract they would work with ASC care management, commissioning and finance to align personal budget (PB) allocations for each customer with the funding available for each service taking in to account a further 5% savings target for year two.
- 10.3 The PB for each customer will be based on the local resource allocation system for determining indicative PBs in agreement with the learning disability (or appropriate ASC) team. PBs will be reviewed at least annually.
- 10.4 It is estimated that this procurement strategy could deliver up to 10% savings over the two year period from July 2017 on the total £2,829,622 contract spend for LD care and support in H&F (See Appendix A). This will be refined through detailed analysis of individual and service costs. More information will be available in the award report (if the strategy is agreed).
- 10.5 Financial implications verified by David Hore, Corporate Finance. Tel: 020 8753 4498 e-mail: david.hore@lbhf.gov.uk

11. IMPLICATIONS FOR BUSINESS

- 11.1 The current LD care and support market is limited to a reasonably small number of providers. The contract with the strategic provider partner could promote local business opportunities for care and support providers, including small and medium enterprises, and voluntary sector organisations who could partner with the strategic provider to deliver choices in support.

12. RISK MANAGEMENT

- 12.1 Developing a strategy contributes positively to the management of procurement risk. Managing corporate and service spending efficiently through a structured approach to procurement offers potential to improve financial performance through: competition between all parties; accountability in the spending of public money; transparency in the decision making process; and value for money.
- 12.2 Appendix B sets out the risks and mitigation regarding affordability, limited local market and ensuring quality.
- 12.3 Risk Management implications verified by Michael Sloniowski, Shared Services Risk Manager, Tel 020 8753 2587, e mail michael.sloniowski@lbhf.gov.uk.

13. PROCUREMENT STRATEGY IMPLICATIONS

- 13.1 The services being procured are defined under the Public Contracts Regulations 2015 as “Social and other Specific Services” and fall under a “light touch” procurement regime. Their financial value is above the EU threshold of £589,148 for “light touch” services, meaning a mandatory contract advertisement must be placed in the Official Journal of the EU. After placing the advertisement, however, the council has considerable discretion in how the procurement is run, so long as it is conducted in a fair, transparent and non-discriminatory manner.
- 13.2 The Interim Head of Procurement supports the report’s recommendation and the procurement strategy detailed in Appendix B. Given the innovative nature of the proposed delivery model, the importance of getting various aspects of the contract right for all concerned, and a number of complexities (and attendant risks) that make the running of a conventional competitive tendering problematic, the Interim Head also supports the use of competitive dialogue. This will require greater than usual procurement resource and carry its own risks. However, if properly focussed, structured, resourced, led and managed, it could be seen as an investment to save and an approach that should deliver good quality outcomes, officer and bidder reassurance prior to the final tendering stage, as well as avoiding potentially costly problems occurring in final tenders and eventual service delivery. In order to achieve these outcomes, the managerial demands of the competitive dialogue must be properly addressed.
- 13.3 The Procurement Team have provided advice and support to the service department in the drafting of this report, and will continue to do so over the procurement through to contract award.

13.4 Procurement comments provided by John Francis, Interim Head of Procurement (job-share), Tel 020 8753 2582, e mail john.francis@lbhf.gov.uk

14. IT STRATEGY IMPLICATIONS

14.1 There are no immediate IT strategy implications. ISF payments will be processed through the council's existing ICT systems.

15. SOCIAL VALUE

15.1 Social Value is intrinsic and core to the delivery of effective flexible support for adults with learning disabilities, maximising community assets and vulnerable adults' ability to experience choice and independence. Nevertheless, the pursuit of additional Social Value and community benefits will be reflected in the contract award criteria, and covered in the competitive dialogue with short-listed bidders, who will be required to submit Social Value and community benefit proposals as part of their final tender submission.

16. PRIVACY IMPACT ASSESSMENT

16.1 PIA screening has been undertaken. There will be a full PIA prior to the procurement as there may be new providers which need to hold or share information about individuals.

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 A - Contracts In Scope

Appendix B: Business Case And Procurement Strategy Report

Contact officer(s):

Ann Lloyd, ASC Commissioning ann.lloyd@rbkc.gov.uk

Christine Baker, Category Manager christine.baker@lbhf.gov.uk

Appendix A

Contracts in Scope

| Service Area 1: LD Accommodation with Care | | | |
|--|---------------------|-----------------------|--|
| Contracts In Scope | Contracting Borough | Annual Contract Value | Contract End Date (subject to agreement) |
| Residential Care & Supported Living Block (9 homes, 43 units) Yarrow | LBHF | 2,657,276 | 30 Jun 2017 |
| Supported Living (3 homes, 12 units) Metropolitan | LBHF | 131,882 | 30 Jun 2017 |
| TOTAL LBHF | | 2,789,158 | |

APPENDIX B: BUSINESS CASE AND PROCUREMENT STRATEGY REPORT

BUSINESS CASE

1. BUSINESS CASE – WHY THE PROCUREMENT IS NEEDED

The aim is to improve outcomes, promote choice and control through personalised approaches and ensure there is full compliance with the Care Act 2014, through having a long term strategic partner.

Two contracts for accommodation-based support for 55 people with learning disabilities (LD) expire on the 30th June 2017. The services have an annual contract value of circa £2.8m (H&F). The new services will be in place by July 2017.

Although the performance of the current contracts is satisfactory the Council needs to ensure compliance with the Care Act in terms of choice and control for customers, ensuring sufficiency and choice in response to the high demand for supported living services for people with LD with eligible needs and the increasing complexity of need. New contract arrangements need to be for five to seven years in order to allow for the changes that result from new legislation to be fully implemented and embedded. There will be sovereign contracts with H&F (arrangements will be mirrored in RBKC and WCC).

The plan is to procure a contract with a strategic provider to deliver flexible support to people with care and support needs, to develop the detail of approaches required and to manage and account for customers' personal budgets (PBs) through Individual Service Fund (ISF) arrangements.

The procurement proposal will support implementation of the strategy for flexible and personalised commissioning arrangements. Having a strategic provider enables a longer term approach to meeting individual outcomes and strategic demand and avoids the "all or nothing" risks of tenders for block contracts.

2. FINANCIAL INFORMATION

The total value over the lifetime of the contract (five years plus two possible annual extensions) is estimated to be up to £19,524,106 (£2,789,158 annually).

It is estimated that this procurement strategy could deliver up to 10% savings over the two year period from July 2017 on the annual £2,829,622 contract spend for LD care and support in H&F through better tailored and more personalised service delivery based on each individual's specific needs. Targets will be refined through analysis of individual and service costs.

For year one, the strategic provider contract value would be calculated on the basis of the annual contract values for 16/17 less 5% for each service.

During year one of the contract, the provider would be asked to show how they would work with ASC care management, commissioning and finance to align personal budget (PB) allocations for each customer with the funding available for each service taking in to account a further 5% savings target for year two.

The PB for each customer will be based on the local resource allocation systems for determining indicative PBs in agreement with the learning disability (or appropriate ASC) team. PBs will be reviewed at least annually.

Providers must maintain records of ISF agreements. An up to date list of ISF agreements must be available for audit purposes.

3. OPTIONS APPRAISAL AND RISK ASSESSMENT

There are a number of procurement and contract options available to the Council in relation to these contracts:

- a. Allow all current contracts to expire and offer customers direct payments
- b. Allow all current contracts to expire and move to spot contract arrangements
- c. Re-procure new contracts for all block arrangements
- d. Commence a procurement exercise to establish a contract for flexible support
- e. Commence a procurement exercise to establish a contract for flexible support but have available other options e.g. spot contracts and block contracts.

Appraisal of options

Option a: is **not** recommended, as whilst there is a strong desire to increase uptake of direct payments, these will not be suitable or favoured by everyone, so direct contracts with providers will still be required.

Option b: Moving entirely to spot arrangements is **not** recommended as this will not allow the Council and providers to develop the market in line with the market shaping, choice and control requirements of the Care Act 2014.

Option c: Re-procuring all as block contracts is **not** recommended as this does not support market choice for those with learning disabilities. It does not offer the flexibility required to be fully responsive, accountable and person-centred.

Option d: is **not** recommended as the Council may still need the option to have some block contracts in a few special circumstances.

Option e: is the **recommended option** as a contract for the delivery of flexible support with a strategic provider (with the option to still have some separate block contracts) adds to the contractual approaches available to the Council, underpins strategic objectives, and meets Care Act duties to promote choice.

Risks and Mitigating Factors

| Risk | Mitigating Factors |
|----------------------|---|
| Affordability | <p>In moving to ISFs, the cost of each service will be determined by the aggregate value of Personal Budgets. However, an expectation is that the provider seeks to deliver efficiencies by maximising use of community assets and sourcing other providers who can meet the needs of their customer within the available budget.</p> <p>The Council must provide clear information to individuals about the personal budget available to them to meet their needs regardless of how this budget is managed.</p> |
| Limited local market | <p>The market is currently limited due to having block contracts with a small number of providers. Market engagement events are being held to promote interest in the flexible support contract from local providers as well as those not currently operating here. One local provider is currently piloting ISF approaches. The strategic provider will also source from other providers where appropriate and make links with a range of services and community organisations to ensure choice for individuals. It is anticipated that this will bring new providers into the local market. (see section 4)</p> |
| Ensuring quality | <p>The award of a contract to a strategic provider to deliver flexible support will be determined by strict quality criteria. The contract with the Provider will include provision for Council Officers to measure quality and enforce standards. Supplier relationship initiatives will support workforce development, support quality and encourage innovation in line with personalisation and outcomes.</p> |

4. THE MARKET

This is a relatively small market in respect of prime contractors, but one in which potentially there is a wide range of niche sub-contractors in the SME and voluntary and community sectors. There are some positive providers in H&F and neighbouring boroughs that are keen to work in more personalised ways. One local provider is already working in detail (with customers, families and the Council) to introduce ISFs. However, it is felt that the market is limited and there is a lack of skilled and community focused support for people with LD in particular to effectively support people with complex physical and challenging needs. Greater emphasis on forging links, community opportunities and workforce approaches to support more personalised approaches is needed as well as innovative approaches to meeting accommodation based needs.

Strategic approaches would enable smaller providers to link with the strategic provider to develop these approaches and respond to greater diversity of need and preferences. There is interest and support for these approaches. A market engagement event in February 2016 was attended by over 40 providers.

PROCUREMENT STRATEGY

5. CONTRACT PACKAGE, LENGTH AND SPECIFICATION

A strategic objective of the procurement is to increase participation of SME and 3rd sector organisations in the overall supply chain, thereby increasing customer choice and facilitating delivery of services better tailored to individual need. The report recommends a pragmatic solution, by way of a formal contractual arrangement, that seeks to ensure sufficiency and choice in response to the high demand for supported living services for people with LD with eligible needs and the increasing complexity of need. To maximise possible benefits it is proposed that a competitive dialogue procedure is used with the shortlisted applicants to establish how best to optimise quality, choice, market development and value within the package offered.

Given that the provider will have flexibility on how they deliver outcomes, the Council may see a reduction of costs by approximately 10% over 2 years through cost avoidance. The H&F Corporate Procurement team has advised ASC on possible procurement options, and the recommended approach is supported by the Interim Head of Procurement.

Adult Social Care would work in partnership with the strategic provider to develop the detailed approaches required to deliver more personalised support and better outcomes. Additional contracts with other providers would only be procured in special circumstances.

The approach should ultimately widen the market and deliver efficiencies. The ability of providers to sub-contract to other providers to support specific needs or activities could help smaller providers to enter the market with core providers assuring the quality in line with support plans.

Due to the complexity of needs amongst LD customers and current market challenges, the evaluation for the procurement of the contracts will use a 40% price and 60% quality weighting to ensure the delivery of quality services.

The pricing element of the evaluation methodology would be tested by stating the envelope of funding per borough, which (for year one) would be calculated on the basis of the current annual contract value less 5% for each service. Each provider would be requested to submit a detailed response outlining the quality, hours and choices in support which could be offered within the pricing envelope available for each service. Pen pictures of each service would also be provided. In response to the specification providers would have to demonstrate that they can work with customers to develop a person centred support plan and form partnerships with community and voluntary sector resources to enable choice in meeting needs. An ISF gives a person real choice about

how their needs are met, when and how support is provided, with the provider holding responsibility for managing the budget.

Efficiencies are anticipated of around 10% over two years compared with current contract costs. This will be tested through detailed work to align costs with personal budget allocations.

Taking into account the various considerations described above, it is recommended that the contract needs to be for a minimum of five years, with an option to extend up to a further two years if beneficial. The exact terms of the contract will be 1st July 2017 to 30th June 2022, with the possibility of two annual extensions. The total value of the five year contract proposed plus two possible annual extensions is estimated to be £19,524,106.

6. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFITS

This will be a contract where Social Value and community benefits will be core and intrinsic to service delivery. Nonetheless, additional Social Value will be sought from the procurement, will be included as part of the competitive dialogue, and will form part of the contract award criteria, with short-listed bidders being asked to submit proposals for additional value over the contract period. The contract with the strategic provider partner could promote local business opportunities for care and support providers, including small and medium enterprises, and voluntary sector organisations who could partner and work with the strategic providers to deliver choices in support to people with care and support needs.

The current LD care and support market is limited to a reasonably small number of providers. The development of ISFs could promote micro commissioning and stimulate the market particularly for small providers who may wish to form partnerships with the strategic provider to deliver individually tailored support.

People with LD will be supported to play a greater part in the community. Use of community assets, and full engagement of people's families will promote community benefits.

7. OTHER STRATEGIC POLICY OBJECTIVES

This strategy supports the personalisation agenda across ASC. It also supports the Housing Strategy for Learning Disabilities. The focus on people with learning disabilities supports Inclusion and Equality strategies.

8. STAKEHOLDER CONSULTATION

Providers: Over the last year, there has been provider engagement on alternative delivery and contractual models to support more flexible and person-centred approaches. There have been information sessions, one to one meetings with some providers and a market engagement event in February 2016. Providers have also developed proposals for working in more flexible and personalised ways.

Local providers have said they do not like the uncertainty, “all or nothing” nature and attendant risks of block contracts for accommodation based support. Providers generally have been positive about moving to more personalised arrangements but some want more assurance about areas such as systems for payments, managing voids and future demand.

Customer representatives on the Learning Disability Partnership Board have consulted with local people with learning disabilities about what is most important to them. Key areas include:

- More choices and the power to make these choices
- Personal budgets and managing their own funds
- Safe and suitable housing
- Choice in housing and easy read information to support this
- Being able to choose our own staff
- Being fully involved in our person-centred plans
- Fulfilling jobs and opportunities

Pilot work: Detailed work with one provider to develop ISFs has engaged customers, families and support staff in person centred planning. Feedback has been positive and the creative approach has already resulted in new ideas to promote independence (including through assistive technology) and new community activities. Front line staff (ASC) who have been involved in the programme have reported the process to be more person centred. The provider and commissioning are positive that the approach can deliver budget efficiencies providing there is flexibility about how needs are met.

Officers: There has been consultation with officers from legal, procurement and finance teams to ensure strategic fit and compliance with procurement regulations.

9. PROCUREMENT PROCEDURE

ASC commissioners are clear about what they want the contract to achieve. However, whilst able to articulate a clear vision as to what the future delivery model needs to look like, there are a number of complexities, sensitivities, challenges, and associated reputational and commercial risks which require clarity and certainty to undertake a normal Open or Restricted competitive tendering exercise. Such clarity and certainty – and the reaching of mutually acceptable solutions - commissioners believe can only come from engaging in dialogue with shortlisted bidders on key critical matters, before final tenders are invited. That is, to iteratively build through dialogue a mutually acceptable solution that:

- provides choice and control to service users with care and support needs;
- value for money and cost avoidance, in other areas, for the Council;
- shapes and develops the supply market so that it brings more niche, SME and 3rd sector providers into it;
- identifies and then removes or mitigates risks;
- last but not least, achieves these objectives and is commercially viable and sustainable for the successful strategic partner to deliver.

Officers believe the most efficient procurement route for delivering this level of clarity and confidence on possible solutions, with an efficient pricing of these, is the

competitive dialogue procedure. The H&F Procurement Team support this approach, subject to the competitive dialogue being focussed, structured, properly resourced and led.

The procurement route set out in this report is compliant with the mandatory requirements of the Light Touch Regime (LTR) of the Public Contracts Regulations 2015 and with H&F Contract Standing Orders (CSOs).

A Contract Notice will be placed in the Official Journal of the European Union and Contracts Finder. The process will be through the Council’s e-tendering system.

The contract documents will include a model contract between the Council and Provider that will set out the terms under which the Council will transfer a customer’s PB to a provider. Contracts for ISFs will be completed on a case by case basis. The customer and provider would sign an ISF agreement.

Phased Implementation of Procurement

| | | |
|-----------------------|--|--|
| <p>Phase 1</p> | <p>Sept 2015 to October 2016</p> | <p>Communicating and discussing with customers, carers, families and providers, to develop the detailed specifications which will be required as part of the contracts with the strategic providers. Includes work by commissioning, care management, and providers on piloting flexible support to establish the processes for delivery of flexible support in time for the planned procurement of these services. Interested customers will be trained to take part in the tender evaluation.</p> |
| <p>Phase 2</p> | <p>October 2016 to March 2017</p> | <p>The Council procures a single contract with a strategic provider partner using a competitive dialogue procedure. Procurement would commence in October 2016 with contracts being awarded by July 2017. It is recommended that due to the complex nature of the needs amongst current learning disability service users, and the current market challenges as regards delivery of support to these groups, the evaluation methodology for the contracts uses a 40% price and 60% quality weighting to ensure the delivery of quality services. Providers will be required to submit and pass a pre-qualification questionnaire (PQQ) to ensure viability, quality and compliance, including financial compliance. Providers would be encouraged to form partnerships or consortia with other organisations where appropriate to deliver a viable tender bid which should include wider choices, and a range of targeted support and activities to customers.</p> <p>The effectiveness of providers regarding delivery of flexible support and an improved range of choices in care, support and activities for customers (within a given financial envelope) would be tested and</p> |

| | | |
|----------------|--------------------------------|--|
| | | <p>evaluated via a number of questions during the competitive dialogue stage and in the final submission stage.</p> <p>Providers would also be tested on their “just enough support” methodology, and on how they could deliver future savings using a more targeted personalised support model which gives more choice and control for customers.</p> <p>The pricing element of the evaluation methodology would be tested by stating the envelope of funding per borough, which (for year one) would be calculated on the basis of the current annual contract value less 5% for each service. Each provider would be requested to submit a detailed response outlining the quality, hours and choices in support which could be offered within the pricing envelope available for each service. Pen pictures of each service would also be provided.</p> <p>Each provider would also be asked to provide information on how they would work with ASC care management, commissioning and finance during year one of the contract to work out how personal budget allocations for each customer will align with the funding available for each service taking in to account that there is a further 5% savings target for year two.</p> |
| Phase 3 | March 2017 to July 2017 | <p>Phase 3 of the procurement is the award and implementation of the contract for flexible support once the current block arrangements end on 30th June 2017. From then onwards the successful strategic provider will work closely with ASC commissioning, care management, customers, carers and families to ensure a seamless transition to the new arrangements.</p> |
| Phase 4 | July 2017 onwards | <p>Phase 4 will involve joint monitoring and review of arrangements by ASC commissioners, strategic providers, care management, customers, carers and families to carry out any re alignment regarding quality and any potential aggregation of costs and services which come to light (keeping in mind that there is a 5% target for savings on services in year two of the contracts).</p> |

10. CONTRACT AWARD CRITERIA

Given the nature of the contract, the vulnerability of service users, the innovative delivery model, and the imperative of trust and cultural fit to positive outcomes, officers believe a premium must be placed on the quality of bidders’ proposals when assessing

and scoring these. It is therefore recommended that the evaluation methodology for the strategic provider contract be 60% quality and 40% price, reflecting the complex needs of LD customers and a need for the market to invest in specialist support for LD customers in the community, and as a means of preventing higher residential care costs occurring in future years. The elements that will comprise the Quality assessment and scoring of bidders proposals will include:

- The ability to deliver choice and control to customers.
- The ability to form efficient and effective relationships with other providers in the overall supply chain.
- The ability to form efficient and effective relationships with housing providers, such as RSLs, other agencies and stakeholders.
- The ability to work closely with families and carers in the delivery of flexible support.

PROJECT MANAGEMENT AND GOVERNANCE

11. PROJECT MANAGEMENT

The project management will be through Adult Social Care Commissioning. Commissioning and procurement officers will lead with key engagement from Finance, Corporate Procurement, Risk and Legal. Reporting will be to the Head of ASC Commissioning and Director Commissioning & Enterprise, with the Cabinet Member for Health and Adult Social Care receiving progress reports at key milestones of the Procurement at her regular Cabinet Member briefings.

12. INDICATIVE TIMETABLE

| Stage | Deadline | Governance Stage (indicative Dates) |
|--|---|--|
| CoCo Board | Deadline for papers: 8 th June 2016 | 13 th June 2016 |
| HFBB | Deadline for papers: 15 th June 2016 | 22 nd June 2016 |
| H & F Cabinet Member Digest | 28 th June 2016 | 29 th June 2016 |
| H & F Political Cabinet | Deadline for papers: 27 th June 2016 | 4 th July 2016 |
| Provider Event | | 14 th July 2016 |
| Cabinet Approval (H & F) | Deadline for papers: 22 nd August 2016 | 5 th Sept 2016 |
| Development of contract specification for flexible support in discussions with care management | Between 1 st August and 1 st October 2016 | |


| | | |
|--|---|---|
| customers, families parents and carers | | |
| Advert and OJEU notice for Flexible Support Contract | Use CapitalEsourcing | 1 st Oct 2016 |
| Issue PQQ | Use CapitalEsourcing | 3rd Oct 2016 |
| Deadline for return of PQQ | Use CapitalEsourcing | 28 th Oct 2016 |
| Evaluate PQQ | | w/c 31 st Oct 2016 |
| Invite eligible providers to begin competitive dialogue | Use CapitalEsourcing | 7 th Nov - 18 th Nov 2016 |
| Request final submissions | Use CapitalEsourcing | 21 st Nov 2016 |
| Deadline for return of final submissions | Use CapitalEsourcing | 9 th Dec 2016 |
| Evaluation of final submissions | | 12 th Dec - 30 th Dec 2016 |
| Draft award reports for Flexible Support Contract | | w/c 2 nd Jan 2017 |
| CoCo Board | Deadline for papers: 12 th Jan 2017 | 16 th Jan 2017 |
| H & F Cabinet Member Digest | 20 th Jan 2017 | 26 th Jan 2017 |
| HFBB | Deadline for papers: 26 th Jan 2017 | 1 st February 2017 |
| Political Cabinet | Deadline for papers: 20 th Feb 2017 | 6 th March 2017 |
| Cabinet Approval (H & F) | Deadline for papers: 20 th March 2017 | 3 rd April 2017 |
| Implementation period; Work with strategic providers, customers, carers, families, care management, and on any TUPE matters | | 4 th April - 30 th May 2017 |
| Phasing in of flexible support contracts including any TUPE | | 1 st June - 30 th June 2017 |

13. **CONTRACT MANAGEMENT**

A strategic partner will in turn require strategic relationship management. The Council's client-side organisation will be led by the ASC Head of Commercial Innovation and

Insight. There will be monthly meetings with the strategic partner and commissioning staff. Quarterly performance reports will be required. This will also be reported to the project management group to ensure strategic fit, address any council systems issues in delivery of this approach, and aid the overall development and improvement of the strategic partnership over the contract period.

Agenda Item 10

| | |
|--|--|
| <p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 SEPTEMBER 2016</p> |  |
| <p>“THE CONNECTED BOROUGH: DESTINATION, CREATION AND INCLUSION” AN ARTS STRATEGY FOR HAMMERSMITH & FULHAM 2016-2022</p> | |
| <p>Report of the Cabinet Member for Economic Development and Regeneration – Councillor Andrew Jones</p> | |
| <p>Open Report</p> | |
| <p>Classification - For decision Key Decision: Yes</p> | |
| <p>Wards Affected: All</p> | |
| <p>Accountable Director: Sue Harris, Director for Cleaner, Greener and Cultural Services</p> | |
| <p>Report Author: Donna Pentelow, Head of Culture</p> | <p>Contact Details: Tel: 020 8753 2358 E-mail: donna.pentelow@lbhf.gov.uk</p> |

1. EXECUTIVE SUMMARY

- 1.1. Following a wide-ranging consultation on a draft arts strategy with local residents and arts organisations, the Council is planning to adopt an arts strategy centred around the three themes of **Destination, Creation and Inclusion**.
- 1.2. The Council’s vision is that Hammersmith & Fulham will become:
 - One of the country’s most popular destinations for people to participate in and enjoy the arts.
 - A place in which greater creativity and innovation thrive and the arts are experienced by more people from a wider range of backgrounds.
 - A place where local residents and cultural organisations drive more clearly how the Council supports the art, ensuring that every penny of arts funding is even more focused than now.

- A place where the arts are at the centre of a dynamic local economy, leading to new jobs, businesses and economic growth.
- 1.3. The consultation has informed a wide-ranging action plan that identifies key activities and potential partnership projects. The arts strategy and action plan are attached as Appendix 2.
 - 1.4. Collaboration and partnership working are at the heart of the action plan and will be central to its success.
 - 1.5. Below are some of the core actions to focus on in 2016/17:
 - Seek external funding for an arts development officer to support delivery of the strategy
 - Create an Arts Network to act as the delivery and monitoring vehicle of the action plan
 - Explore the creation of an arts and culture trust to take forward a long-term strategic vision for art and culture in the borough.

2. RECOMMENDATIONS

- 2.1 To agree the arts strategy for Hammersmith & Fulham 2016-2022 “THE CONNECTED BOROUGH: DESTINATION, CREATION AND INCLUSION”.
- 2.2 To agree the action plan as part of the arts strategy and to commence implementation immediately.

3. INTRODUCTION AND BACKGROUND

- 3.1. This report follows the Policy & Accountability Committee (PAC) for the arts in September 2015, which reviewed the proposed arts strategy and agreed that wider consultation would be undertaken with the arts community to shape the strategy further and identify actions to deliver it.
- 3.2. Consultation has included a number of focus groups, workshops and an e-survey. Full details of the process and findings are included in Appendix 1. The strategy was presented to the Policy & Accountability Committee (PAC) for the arts on 7 June 2016, following which the strategy and action plan was updated.

4. PROPOSAL AND ISSUES

- 4.1. The revised arts strategy and action plan is attached as Appendix 2. The strategy and action plan have considered the Council’s draft Economic Growth Plan, Local Plan, and emerging Customer Strategy. Further work is planned to review the borough’s Joint Strategic Needs Assessment when developing potential projects, to strengthen how the arts can deliver against the health agenda, or identify projects that are already delivering against this agenda.
- 4.2. The consultation has informed an action plan that identifies key activities and potential partnership projects. Collaboration and partnership are at the heart of the action plan.

- 4.3. Key activities to focus on in 2016/17:
- Submit a funding bid for an arts development officer to support delivery of the strategy.
 - Create an Arts Network to act as the delivery and monitoring vehicle of the action plan.
 - Explore the creation of an arts and culture trust to take forward a long-term strategic vision for art and culture in the Borough.
 - Progress projects with major developments like Old Oak Common and continue to develop potential projects with public health and Koestler Trust.
 - Further develop libraries as cultural venues with the roll out of the Made in Libraries programme and Dancing Books project.
 - Work with the Lyric and A New Direction to establish a Cultural Education Partnership for the borough.
 - Promote and collate the benefits available to borough residents from local arts organisations.
 - Link to other community networks such as faith groups
- 4.4. Central to the success of the strategy is the leveraging of funding and resource; collaboration and an effective Arts Network. The Arts Network will be set up to bring together key individuals and organisations in the arts community to monitor delivery and act as the delivery vehicle for the action plan. The consultation has initiated discussion, connections and networking, something that the Arts Network will be able to build on.
- 4.5. The consultation has also led to a proposal from residents to explore establishing an arts and culture trust to take forward a long-term strategic vision for art and culture in the Borough. Further work needs to be undertaken to understand the viability of the proposal and how it might complement the arts network.

5. EQUALITY IMPLICATIONS

- 5.1. Inclusion is central to the strategy and a number of actions have been identified to improve access to and participation in the arts.

6. LEGAL IMPLICATIONS

- 6.1. The Council has discretionary power under the Local Government Act 1972 to do anything necessary or expedient for the development and improvement of the knowledge, understanding and practice of the arts and the crafts which serve the arts, including music, dance, theatre and the provision of entertainment, either by itself or through arrangements made with others (LGA 1972 section 145).
- 6.2. Further legal advice will be required if the Council instructs officers to investigate the option of creating an arts and culture trust.

Implications verified/completed by: Andre Jaskowiak, Senior Solicitor, Shared Legal Services, 020 7361 2756.

7. FINANCIAL AND RESOURCES IMPLICATIONS

- 7.1. There is no existing revenue budget for the arts in Hammersmith & Fulham (aside from an element of management budget for the Head of Culture post, which is shared with the Royal Borough of Kensington & Chelsea). As such, any new Arts initiatives agreed will need to be funded from new external funding, or agreed budget growth from Council contingencies.
- 7.2. Implications completed by Kellie Gooch, Head of Finance Environmental Services. Telephone 020 8753 2203.

8. IMPLICATIONS FOR BUSINESS

- 8.1. The action plan will lead to a positive impact on businesses in the borough. The strategy and plan has been drawn up considering the draft Economic Growth Plan, which is highly arts and technology centric.

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

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

LIST OF APPENDICES:

APPENDIX 1: CONSULTATION PROCESS AND FINDINGS

APPENDIX 2: "THE CONNECTED BOROUGH: DESTINATION, CREATION AND INCLUSION." AN ARTS STRATEGY FOR HAMMERSMITH & FULHAM (2016-2022)

APPENDIX 1: CONSULTATION PROCESS AND FINDINGS

1. CONSULTATION PROCESS

- 1.1. Following an open tender process, Hybrid Consulting were engaged to deliver the final stage of consultation on the draft arts strategy. The consultation ran from December 2015 until end of February 2016 and was extended beyond the original date of 31 January to allow more time for responses.
- 1.2. The consultation consisted of an online survey and five focus groups plus an open invitation for anyone to feedback any comments via email. A dedicated email address, arts@lbhf.gov.uk was set up for this. Sixteen emails were received from a variety of individuals and organisations via this method. A total of 24 responses was received from the online survey and 34 people took part in the focus groups. Invites were sent out to 137 arts organisations in the borough.
- 1.3. A further set of two workshops and one-to-one interviews was held in May 2016 with representatives from cultural organisations in the borough specifically to discuss actions that would deliver against the themes, what opportunities for collaboration there were and how these would fit with the organisations' own strategic objectives.
- 1.4. The following organisations and individuals participated in the consultation workshops and interviews:

Albert and Friends Instant Circus
Apothecary Gallery
Artist and Welcome Engagement Fellow
Arts Council England
BBC Commercial Projects
Bush Theatre
Dance West
Fulham Palace Trust
Hammersmith London
HF ArtsFest
Individual artists and residents
LAMDA
Lyric Hammersmith
Riverside Studios
Scario-Funk
Triborough Music Hub
Youth Club

2. CONSULTATION FINDINGS

- 2.1. The Arts Strategy should be based on:
 - The Council's policies
 - Who is in the borough/ demography

- What is in the borough
- 2.2. The draft strategy needs to include what is unique in the borough. It needs to be tailor made. The strategy needs to feed off the strengths of the borough, notably a media hub and performance spaces.
 - 2.3. Consultees queried whether the strategy should be called a cultural strategy, rather than solely arts to include explicitly libraries, heritage and museums.
 - 2.4. The strategy needs to contextualise the challenges facing art and culture during these difficult times. It needs to be a strategy for a new terrain, recognizing the changed landscape.

Priority order for approach

1. Longer term, grassroots, participatory arts programmes
2. One-off highly publicised events featuring high profile artists
3. Help with infrastructure: for example, low interest loans / pop-up studios / access to venues

Priority groups for the strategy to focus on

1. Children & Young People
2. Education
3. Regeneration

What's most important in creating a healthy arts sector?

1. Access to funding
2. High-profile arts spaces
3. Artist studios and working spaces.

The top three words that people wanted to see in the strategy:

1. Inclusive
 2. Innovative
 3. Welcoming and Opportunities (equally)
- 2.5. Participants welcomed a capacity-building programme that focused on access to funding, finding studio spaces and mentoring.
 - 2.6. Participants felt that the role of the Council should be as:
 - Connector – to connect individuals and organisations
 - Broker – to provide an information and help create and develop relationships
 - Development Agency – to provide funding and strategic direction

APPENDIX 2: “THE CONNECTED BOROUGH DESTINATION, CREATION AND INCLUSION”. AN ARTS STRATEGY FOR HAMMERSMITH & FULHAM (2016 – 2022)

The Connected Borough:
Destination, Creation and Inclusion

An arts strategy for Hammersmith & Fulham 2016–2022

Contents

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1. Our Vision

A thriving arts scene is good for the health of people and places. The arts can enhance people's general wellbeing, build education and skills, regenerate run-down areas and make communities more cohesive.

The borough of Hammersmith & Fulham is already home to a vibrant arts, culture and creative industries scene. The Appendix provides a flavour of the breadth of current activity.

We want to make it even better. The benefits of taking a fresh approach to the arts will be substantial and will be felt by residents and businesses across the borough.

Our arts vision is that Hammersmith & Fulham will become:

- One of the country's most popular destinations for people to participate in and enjoy the arts
- A place in which greater creativity and innovation thrive and the arts are experienced by more people from a wider range of backgrounds
- A place where local residents and cultural organisations drive more clearly how the council supports the art, ensuring that every penny of arts funding is even more focused than now
- A place where the arts are at the centre of a dynamic local economy, fostering local jobs, businesses and economic growth.

2. Our Approach

This is a council that believes in working with residents, not doing things to them, We want an arts strategy that is clearly driven by residents and the arts community.

Achieving our vision will thus take not only consistent political commitment but determined local arts leadership.

In the face of government funding cuts, the council's principal role will be as a catalyst and enabler rather than a substantial direct funder. We will be active in building the stronger partnerships, collaboration and connectivity that are essential to helping our arts scene flourish.

Driving this collaboration will be a new Arts Network. This will bring together the energy, creativity and resources from artists, residents, businesses and organisations involved in delivering or promoting the arts. It will provide leadership, drive innovation and coordinate the execution of this strategy.

A core aim of the Arts Network will be to maximise opportunities to raise funds from a range of public bodies, trusts, foundations and sponsors.

During the consultation process for this strategy, some residents also proposed establishing an Arts and Culture Trust to take forward a long-term strategic vision for art and culture in the borough. We would like to see further work undertaken to understand how this might be viable and complement the Arts Network.

3. Core Themes

This strategy centres around three core themes:

- **Destination** – Boosting the local economy by developing and promoting a thriving borough for the arts
- **Creation** – Supporting people to create and produce excellent art of all kinds
- **Inclusion** – Giving residents from a wide range of backgrounds more opportunity to experience and participate in artistic and cultural activity.

We want to be sure that everything the council does in support of the arts – including any funding in these tough economic times – clearly relates to these themes.

3a. Destination – Making Hammersmith & Fulham a national and international beacon for the arts

We want to enhance the contribution of arts to the local community and economy by developing Hammersmith & Fulham as a thriving borough for the arts and promoting it as a creative, innovative and exciting place to live and do business in and visit from within London, across the UK and overseas.

We need to harness the experience of those involved in the arts and culture sector to help the borough regain its reputation as an important centre for creativity. We want to create a place which fosters indigenous growth in key sectors including arts and media.

An arts beacon

In one strand of activity, the council aims to develop the borough as one of the country's leading destinations for the arts. This will tie in with the council's separate strategy for economic growth, building on an existing large group of TV and media companies in the borough and exploiting new opportunities to regain the borough's leading position for culture, media, the arts and digital media.

The borough is a successful innovation district as defined in the GLA's recent report 'Spaces to Think' by virtue of its arts and technology sectors. A snapshot by LBHF's Insight and Analytics team of creative industries in the borough shows that scientific, technical, information and communication industries dominate.

We will build on and add to the innovative work already taking place across Hammersmith and Fulham. This will involve:

- Seeking to support and grow existing arts provision and capacity by identifying ways to boost the national and international profile of the borough as an arts

destination, promoting more effectively the wealth of arts activities taking place in Hammersmith & Fulham locally, pan London and nationally.

- Working with the existing arts infrastructure to attract high profile and internationally acclaimed arts performers and attractions to the borough;
- Supporting and stimulating the dynamic diversity of smaller arts activities that form an integral part of developing the borough as a beacon for the arts;

Local economic value

In the other strand of activity, the council will seek to achieve more employment, apprenticeships and contracting opportunities for local residents and businesses in the arts, entertainment, leisure, media and creative industries as a priority.

We plan to do this by:

- Growing the number of visitors and ensuring our visitor economy is well supported working with hotels, tourism and culture agencies as well as key arts venues and attractions
- Using land development opportunities wisely and supporting the growth of strong clusters of firms across the broad creative industries. We will also work closely with key anchor arts and media businesses to maximise the co-location of complementary and ancillary businesses in borough.

3b. Creation – Stimulating local artistic achievement

We want to enhance the experience of living and working in the borough and boost the local economy by stimulating artistic achievement and supporting adults, children and young people from a wide range of backgrounds to create, produce and perform excellent art of all kinds.

There is a thriving arts scene in Hammersmith & Fulham, with many nationally recognised organisations as well as individuals producing high quality art.

We want to make it easier for individual artists to find affordable space in which to live and to develop, create and perform excellent art. We also want to help them find customers and audiences. As regards larger arts organisations, we want to support existing ones to achieve greater artistic creativity and reach.

The focus must be on artistic excellence. We also want to pay particular attention to artists, organisations and businesses who encourage audiences and users to expand their horizons and explore new ideas.

This activity will dovetail with the borough's draft Local Plan, which seeks to protect and enhance the borough's attractions for arts, science and technology and the creative industries.

This will involve:

- Working with landowners, developers and property owners to provide affordable studio space for artists and creative industries.

Developing libraries as a cultural resource and space in which people can create and connect, in line with national (Arts Council England) policy and the council's own ambitions. We will seek funding to develop a programme of cultural creativity which uses libraries both as spaces to animate and as venues in their own right which can reach a different demographic. We will link this work to health promotion activities, which are already a successful feature of what libraries offer.

3c. Inclusion – The arts are for everyone

We want to ensure that residents from a wide range of backgrounds get more opportunity to experience and participate in a variety of art which challenges and inspires them and promotes their health and wellbeing.

*"I do not want art for a few, any more than education for a few, or freedom for a few"
Hammersmith resident William Morris, from a lecture on the decorative arts, 1877*

There are many opportunities for residents to enjoy, create and perform high quality art in the borough, with an active arts education offer from early years to higher education. However, we know that numerous residents do not access the arts for a variety of reasons, including cultural and financial. We want to work with local groups and partners to reduce and ultimately remove the barriers to participation, whether actual or perceived.

In particular, within both formal and informal education, we want to expand young people's horizons and stimulate their imagination, ambition and sense of the possible by giving them exposure to forms of art they would otherwise be unlikely to access.

We want to ensure that residents are aware of the wealth of arts and creative industry skills and employment opportunities in the borough – and that they know the access routes to development, training, working and running businesses in this thriving sector.

We also want to support the vast range of grassroots (or community-led) arts that are active across our borough. These groups help make arts accessible to residents from all backgrounds.

And we want to ensure that more people are able to benefit from the therapeutic effect of the arts on health, wellbeing and social inclusion. A number of studies have demonstrated that people who participate in the arts as audience members are more likely to report good health. This has the added benefit of saving the public purse money.

We further want to promote arts activities in unusual spaces to reach out to different audiences and people who wouldn't normally participate in the arts, to promote activities that are for all abilities and require no specialist equipment or knowledge, just a willingness to have a go.

Again, this dovetails with the council's draft Local Plan, which seeks to ensure that existing and future residents and visitors have access to a range of high quality facilities and services, including, health, education and training, arts and entertainment.

4. Arts Strategy Action Plan: 2016/17 – 2021/22

| Overview | Actions | Priority (Low, Medium, High) | Action owner | Potential Funding Stream | Timescale |
|--|--|------------------------------|--|---|-----------|
| ESTABLISHING A SUSTAINABLE INFRASTRUCTURE TO SUPPORT ARTS DEVELOPMENT AND IMPLEMENT THE ARTS STRATEGY | | | | | |
| Provide strategy foundation | 1. Ensure awareness and buy-in to the strategy across all departments and more widely, with key stakeholders. | High | Director for Cleaner, Greener and Cultural Services (CGCS) | No additional costs anticipated | 2016/17 |
| Set in place the mechanisms to deliver the arts strategy | 2. Subject to successful funding bids, LBHF will appoint an Arts Development Officer, for an initial three year period, to: <ul style="list-style-type: none"> • lead on the development of the arts within the borough, • implement and co-ordinate delivery of the Arts Strategy • identify the training and capacity building support required in the sector to deliver on the Arts Strategy | High | Head of Culture and, following appointment, Arts Development Officer | Potential Library/ Economic Development job share | 2016/17 |
| | 3. Provide support and advice to artists, arts organisations and communities. | | | | |
| To provide communication and facilitate intra-borough engagement | 4. LBHF will work with partners (artists, creative professionals and industry experts, arts organisations and people interested in arts development in the borough) to facilitate and establish an Arts Network for local artists, arts organisations and creative practice throughout the borough. Membership to include Bush Theatre, HF ArtsFest, Hammersmith BID, Riverside, Lyric Hammersmith, Music Hub, LAMDA, Wellcome Engagement Fellow, Youth Club, Libraries, Economic Development, Apothecary Gallery, Dance West, | High | Head of Culture Following the initial meeting, to be facilitated by the Arts Development Officer (subject to funding and recruitment) | No additional costs anticipated | 2016/17 |

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|---|---|------|---|---------------------------------|----------------------|
| | Members of the CEP. | | | | |
| | 5. LBHF will support on the joined-up delivery of the arts strategy and disseminate information, share best practice, promote and co-ordinate arts development activity | High | Arts Development Officer | No additional costs anticipated | 2016/17 |
| To advocate for the borough on a city level | 6. LBHF will become an active member of the London Councils Arts & Culture Forum | High | Arts Development Officer | No additional costs anticipated | 2016/17 |
| To assess quality of delivery | 7. LBHF will devise an evaluation strategy that considers the quality of activities delivered, outcomes and outputs and builds these into on-going assessment of the work and delivery of the strategy and actions | High | Evaluation Consultant to work with the Arts Development Officer | External Funding bid | 2016/17 and on-going |
| To support the on-going needs of the sector | 8. LBHF will disseminate information on funding streams for the arts by having an information sheet available on the LBHF website ¹ | High | LBHF website Manager / Head of Culture | No additional costs anticipated | 2016/17 |
| To connect research to action | 9. LBHF Department of Planning and Growth will share the findings of any research that might support analysis of the current arts infrastructure. They will help to identify routes to delivering the Creation and Destination dimensions of the strategy, along with an analysis of what is needed to future proof existing strengths in the performing and visual arts and within museums | High | Principal Business Investment Officer | No additional costs anticipated | 2016/17 |
| To ensure that all funding is in line with priorities | 10. LBHF will evaluate its relevant grants funding arrangements to ensure that funded activities align with the priorities of the Arts strategy | High | Arts Development Officer | No additional costs anticipated | 2016/17 |

¹ Attached at Appendix.

| | | | | | |
|--|--|---------------|--|---|---------|
| To deliver sustainability | 11. LBHF will research and produce a fundraising strategy, including an on-going assessment of the Community Infrastructure Levy process, to support the delivery and implementation of the Arts Strategy | High | Arts Development Officer/ Arts Network | Potential to include within Grants for the Arts application with LBHF match funding | 2017/18 |
| | 12. LBHF will explore the creation of an endowment fund for the Arts in the borough in partnership with residents and local supporters via the establishment of an Arts & Culture Trust. | Medium | Head of Culture and Interim Head of Economic Development and Learning Services | To be determined | 2016/17 |
| | 13. LBHF will work to embed arts and culture throughout the council. e.g. procurement strategies | Medium | Director for CGCS and Head of Culture | No additional costs anticipated | 2016/17 |
| | 14. LBHF will explore options to provide affordable live work spaces for artists and creative practitioners. | High | Director for CGCS, Housing, Planning Officers, ACAVA and private sector developers | No additional costs anticipated | 2017/18 |
| To raise the profile of work taking place across the borough | 15. LBHF will establish a forum where businesses, developers, artists, creative industries and sporting services, venues and facilities can come together to foster and nurture dynamic arts development, business and partnering arrangements | Medium | Arts Development Officer working with the Hammersmith BID | No additional costs anticipated | 2017/18 |
| | 16. LBHF will promote opportunities for residents to volunteer in the arts along with the social, cultural and economic value associated with volunteering | Low to medium | Arts Development Officer working with the Volunteer Centre and HF ArtsFest | No additional costs anticipated | 2018/19 |
| To ensure that | 17. LBHF will undertake a formal review of the action plan | High | | No additional | 2018/19 |

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|--|---|-------------------------------------|---|---------------------------------|----------------------|
| the strategy remains connected to the sector | in 2018/19 to inform and give shape to future action plans, to maintain the momentum and to ensure relevance for the delivery of the arts strategy | | Head of Culture, Arts Development Officer, Arts Network and stakeholders. | costs anticipated | |
| DESTINATION – MAKING THE BOROUGH A NATIONAL AND INTERNATIONAL BEACON FOR THE ARTS | | | | | |
| Overview | Actions | Priority (Low, Medium, High) | Action owner | Potential Funding Stream | Timescale |
| | 18. LBHF, in partnership with arts organisations (Bush Theatre, Riverside, HF ArtsFest) and the BID, will explore options to provide a rotational focus and activity across the three town centres of the Borough, e.g. Bush Theatre re-opening in 2017, Riverside Studios re-opening 2018, explore the viability of a cultural programme connected to the Westfield extension. | High | Head of Culture, Bush Theatre, Riverside, Hammersmith BID, Lyric Theatre Westfield. | No additional costs anticipated | 2016/17 |
| To ensure the arts are integral to the boroughs regeneration and development programmes | 19. In strategic discussions with national organisations (e.g Arts Council England, Heritage Lottery Fund, Big Lottery etc.), LBHF will advocate on behalf of arts groups in the borough and lobby to attract support and external funding for arts initiatives across the borough | High | Head of Culture/ Departmental Heads as appropriate | No additional costs anticipated | 2016/17 and on going |
| | 20. LBHF will work with developers and within regeneration programmes taking place across the borough to maximise opportunities to incorporate arts provision (studios, office and incubation space for creative industry and arts related businesses, accommodation for SME arts organisations etc.) and increase access to arts provision into new | High | Head of Culture and Interim Head of Economic Development and Learning Services, ACAVA | No additional costs anticipated | 2016/17 and on going |

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|--|---|--------|---|---------------------------------|----------------------|
| | <p>developments with a particular focus upon Section 106 requirements.</p> <p>There is potential to develop existing hubs, such as the UGLI centre, and art restorers at the Sullivan Enterprise Centre, these could offer incubator spaces upon which to build profile and brand awareness.</p> | | | | |
| | <p>21. LBHF will seek to ensure that regeneration areas such as the Earls Court and Old Oak Common – as well as quarters such as White City - invest in arts, culture and creative industries for the borough, either by securing high quality arts and cultural spaces or by supporting existing creative programmes, as part of their development schemes</p> | High | Head of Culture, Interim Head of Economic Development and Learning Services, White Noise initiative, Developers | No additional costs anticipated | 2016/17 – 2018/19 |
| | <p>22. LBHF will seek to encourage a wide range of art fairs and exhibitions into the borough, particularly within the borough’s parks and open spaces</p> | High | Events Team, Arts Development Officer | No additional costs anticipated | 2016/17 and on-going |
| | <p>23. LBHF will seek to involve artists and integrate artwork in its public realm improvement plans.</p> | Medium | Head of Culture and Head of Highway Maintenance and Projects | External Funding | 2016/17 |
| | <p>24. LBHF will work with partners to protect and enhance the existing arts infrastructure in the borough to ensure quality and fitness for purpose so they are able to support excellence and ambition.</p> | Medium | Arts Network, Head of Culture | External | 2016/17 |
| | <p>25. LBHF will seek through its land development and regeneration strategies to support the existing arts organisations to attract visitors to the borough and boost the local economy.</p> | High | Arts Development Officer and Interim Head of Economic Development and Learning Services. | No additional costs anticipated | 2017/18 and on going |

| | | | | | |
|--|--|---------------|--|--|-----------------------------|
| | <p>26. LBHF will work with developers, regeneration and commercial partners to establish temporary arts spaces in, for example, buildings earmarked for redevelopment</p> | <p>High</p> | <p>Arts Development Officer, Head of Economic Development and Learning Services Director of Asset Management and Property Services</p> | <p>No additional costs anticipated</p> | <p>2017/18 and on going</p> |
| | <p>27. LBHF will undertake a feasibility study to examine options for the presentation of part of the borough's own art collection - the Cecil French Bequest in a permanent home. This will include an approach to museums such as the Lady Lever Art Galleries in Port Sunlight to assess suitable levels of investment and profile amongst others² as well as initiating discussions with art restorers based in the borough to gauge levels of interest (for e.g at Sullivan Enterprise Centre)</p> | <p>Medium</p> | <p>Arts Development Officer</p> | <p>No additional costs anticipated</p> | <p>2017/18</p> |
| | <p>28. LBHF will seek to participate in Open House, Totally Thames, Open Studios and other pan-London cultural festivals</p> | <p>Medium</p> | <p>Arts Development Officer</p> | <p>Costs to be determined</p> | <p>2017/18</p> |
| | <p>29. LBHF will actively support borough wide arts venues to attract major or significant arts programmes and ensure high profile communications</p> | <p>High</p> | <p>Head of Communications and Arts Development Officer</p> | <p>No additional costs anticipated</p> | <p>2018/19 and on going</p> |

² A consultant to undertake the feasibility study, examine funding/funder options etc. could be procured to do this.

| 30. | 31. LBHF will work with Visual Arts organisations, Fulham Palace, Kelmscott House and the riverside attractions, to help promote these as destinations for out of borough visitors | Medium | Arts Development Officer | No additional costs anticipated | 2019/20 |
|--|---|------------------------------|---|------------------------------------|-----------|
| CREATION – STIMULATING LOCAL ARTISTIC ACHIEVEMENT | | | | | |
| Overview | Actions | Priority (Low, Medium, High) | Action owner | Potential Funding Stream | Timescale |
| | 32. LBHF will produce a business perspective on the arts and cultural sector and creative industries, carrying out an audit of the facilities, activities, organisations, artists and creative services across Hammersmith and Fulham with the aim of benchmarking current levels of activity in the sector. | High | Interim Head of Economic Development and Learning Services and Planning Officer | Internal | 2016/2017 |
| | 33. LBHF will work with the Library service, other venues, locations and service providers across the borough to enable an informal network of exhibition spaces | High | Arts Development Officer and Development Manager | Internal and Grants for the Arts | 2016/17 |
| | 34. LBHF in partnership with the developer Tideway and the Wellcome Trust Engagement Fellow, to explore the viability of buildings in Parks or open spaces (such as South Park) being used as a space to support visual arts provision (gallery/ workspace), recognising and celebrating the intersection between arts, science and technology. | High | Arts Development Officer, Wellcome Trust Engagement Fellow and Parks Manager | Internal and Wellcome Trust Fellow | 2016/17 |
| | 35. LBHF will develop libraries as a cultural resource and space in which people can create and connect, in line | High | Library Service, Head of Culture and Dance | External | 2016/17 |

| | | | | | |
|--|--|--------|--|--|---------|
| | with national (Arts Council England) policy and the council's own ambitions. LBHF will seek funding to develop a programme of cultural creativity which uses libraries both as spaces to animate and venues in their own right which can reach a different demographic. LBHF will link this work to health promotion activities, which are already a successful feature of what libraries offer. | | West | | |
| | 36. LBHF will work with Public Health colleagues and the CCG to explore potential arts projects that will directly benefit the health and wellbeing of residents, for example, singing on prescription | Medium | Head of Culture, Arts Development Officer, Public Health, Music Hub and CCG | External | 2016/17 |
| | 37. LBHF will explore a partnership with the Koestler Trust, currently operating out of Wormwood Scrubs Prison, to develop a proposal for keeping the prison arts charity in the borough and exploring potential opportunities to display the Cecil French Bequest | Medium | Head of Culture, Koestler Trust, Planning | External | 2016/17 |
| | 38. LBHF will explore working with Hammersmith London, Town Centre Managers, the Arts Network and local businesses to provide space in shop windows for local artists to showcase their work. | Medium | Arts Development Officer, Arts Network, Hammersmith London, Town Centre Managers | External | 2017/18 |
| | 39. The Arts Network will explore options to develop the borough arts venues and libraries as hubs for artists and arts development. 40. LBHF will explore options to develop libraries as local hubs where artists can connect, show work and/ or use rooms that are not booked for other activities. | High | Arts Network, Arts Development Officer and Head of Service in Libraries | Venues, Internal and Grants for the Arts | 2017/18 |
| | 41. LBHF will develop the use of the Glass Box at the Town Hall as a curated exhibition space for local | Medium | Arts Development Officer, Amey and Arts | External | 2017/18 |

| | | | | | |
|--|---|--------|--|---------------------------------|----------------------|
| | artists to showcase their work. | | Network | | |
| | 42. LBHF will work with land owners, developers and property owners to provide affordable studio space for artists and creatives ³ | High | Arts Development Officer, Planning Officer, ACAVA | No additional costs anticipated | 2018/19 and on going |
| | 43. LBHF will support and encourage, through provision of contacts and advice, the use of empty buildings as pop-up galleries and venues for local artists to exhibit and sell their work. | Medium | Arts Development Officer and Planning, and Regeneration | Internal | 2018/19 and on going |
| | 44. LBHF will promote the borough's creative industries to raise their profile, and will initiate activities to help attract new and industry-leading creative industry technology businesses to the Borough. | Medium | Arts Development Officer, LBHF Communications Team, Principal Business Investment Officer and the Arts Network | Internal | 2018/19 and on going |
| | 45. LBHF will work with HF ArtFest with support of the Lyric to develop the case for an even wider and fuller community arts festival from 2017 onwards. | Medium | HF Arts Fest, Arts Development Officer and the Lyric | External | 2018/19 |
| | 46. LBHF will support the Lyric to launch a community outdoor project in 2019. | Medium | Arts Development Officer and Lyric Theatre | External Funding | 2019/20 |
| | 47. LBHF will work with local educational institutions (such as LAMDA and Imperial College), businesses, public, | High | Arts Development Officer and Interim | Internal | 2019/20 and on going |

³ The provision of studio space was a widely reported issue during the period of consultation. It is possibly the highest priority for artists and creatives that emerged through the consultation.

| | creative industries and arts organisations to maximise employment opportunities for local people in the arts and creative industries. | | Head of Economic Development and Learning Services | | |
|--|--|------------------------------|--|--|----------------------|
| INCLUSION – THE ARTS ARE FOR EVERYONE | | | | | |
| Overview | Actions | Priority (Low, Medium, High) | Action owner | Potential Funding Stream | Timescale |
| | 48. LBHF will ensure that inclusion and increasing access to the arts for all residents and communities in the borough is integral to relevant council grant aid and funding programmes. | High | Arts Network and Arts Development Officer and Head of Community Investment | Internal | 2016/17 and on going |
| | 49. LBHF will direct council support to programmes and projects that encourage the participation of socially excluded groups in the arts | High | Arts Development Officer | Internal | 2016/17 and on going |
| | 50. LBHF will support SMEs/emerging organisations, such as HF ArtsFest, enabling them to become financially sustainable so that they can continue to deliver their participatory community based creative programmes | High | Arts Development Officer and Arts Network | Esmee Fairbairn Foundation/ Tudor Trust | 2016/17 |
| | 51. LBHF will apply to Arts Council England for strategic funding to enhance the libraries’ role as a place for local residents and artists to engage with each other, exploring the potential for a model similar to IdeasTapp’s ‘Artists at Home’ scheme | Medium | Arts Development Officer, Riverside and Libraries Team | ACE, Grants for the Arts, Libraries Strategic Fund | 2016/17 |

| | | | | | |
|--|---|---------------------|---|--|-----------------------------|
| | <p>52. LBHF will support the Lyric and A New Direction to establish a Cultural Education Partnership which will work strategically to create the conditions for all young people in Hammersmith & Fulham to benefit from a creative childhood. This will entail supporting the development of both curricular and non-curricular based programmes of arts activities for children and young people that provide opportunities for them as creators, participants and audiences. LBHF will be an active member of the CEP – advising as appropriate.</p> | <p>Medium</p> | <p>Lyric Hammersmith, A New Direction, Head of Culture, Schools and providers of Children’s services (including Music Hub),</p> | <p>No additional costs anticipated</p> | <p>2016/17 and on going</p> |
| | <p>53. LBHF will review the borough’s programme of events to explore whether there are opportunities for local artists to be part of LBHF events, for example the borough’s firework display and Playdays</p> | <p>Low - Medium</p> | <p>Arts Network, Arts Development Officer/ Events Manager</p> | <p>No additional costs anticipated</p> | <p>2016/17</p> |
| | <p>54. LBHF will, while options for a permanent home are being explored, seek to provide access to the Cecil French Bequest by taking high resolution pictures of the collection and making these available to schools and colleges</p> | <p>Medium</p> | <p>Head of Culture</p> | <p>Internal</p> | <p>2016/17</p> |
| | <p>55. LBHF will promote the arts in outdoor spaces such as Lyric Square and other public spaces, including Hammersmith London’s Summer Festival</p> | <p>Low - Medium</p> | <p>Lyric Hammersmith, Hammersmith London Arts Network, Events Team, Parks and Open Spaces Manager</p> | <p>No additional costs anticipated</p> | <p>2016/17</p> |
| | <p>56. LBHF will explore how to collate and promote in one place all of the benefits available to local residents from local arts organisations e.g Lyric Free First Night scheme</p> | <p>High</p> | <p>Head of Culture and Arts Network</p> | <p>No additional costs anticipated</p> | <p>2016/17</p> |

| | | | | | |
|--|--|--------|---|---------------------------------|----------------------|
| | 57. LBHF will support the work of the Triborough Music Hub as they carry out a programme of workforce development in early years work across sites in Hammersmith and Fulham (2016 - 2018) | Medium | Head of Culture, Music Hub, Arts Network | No additional costs anticipated | 2016/17 |
| | 58. LBHF will work with the arts network, community champions and local access groups to promote and develop accessible and diverse programmes to reach into and celebrate different cultures and audiences, taking into account the outcomes of the disability commission. | Medium | Arts Network, community champions, and access groups. | External | 2016/17 |
| | 59. LBHF will support the work of Albert & Friends Instant Circus to bring inspirational circus skills to children and young people, particularly those from disadvantaged backgrounds. | Medium | LBHF, Albert & Friends Instant Circus | No additional funds required | 2016/17 |
| | 60. LBHF will work with the Arts Network to identify actions to promote the role of the arts in sustainability and fostering a greener borough. This includes ensuring green infrastructure to reduce climate impacts but also promoting positive responses to climate change in terms of behaviour, developing community resilience and the wellbeing of residents. | Medium | Arts Network, LBHF | External | 2017/18 |
| | 61. LBHF will work with a range of private, public and third sector partners to develop a plan to tackle barriers, including financial ones, to accessing and participating in the arts | High | Arts Network and Arts Development Officer | Internal | 2017/18 and on going |
| | 62. LBHF will establish a youth arts forum, working in partnership with youth service & arts providers to promote and support projects that encourage the participation of children and young people in arts activities | High | Members of the Arts Network, Music Hub and Arts Development Officer | Internal | 2017/18 and on going |

| | | | | | |
|--|---|----------------|---|---|----------------------|
| | 63. LBHF will explore mapping community infrastructure to assess reach and engagement, create a community facilities map which includes and promotes the full mix of local events, venues, businesses and manufacturers, along the lines of New York City's "Green Map" | Medium | Arts Network and Arts Development Officer | Internal | 2019/20 |
| | 64. LBHF will explore options to create an art trail through the borough that encourages increased connectivity between the three town centres – Shepherd's Bush, Hammersmith and Fulham – and with the river | Medium | Arts Forum and Arts Development Officer BID | External funding applications – Grants for the Arts, Sustrans | 2017 – 2019 |
| | 65. LBHF will examine approaches to develop cultural commissioning as a means to secure engagement of older people in the arts. To improve health and well being, LBHF will review the JSNA when exploring joint projects with arts providers | Medium to High | Arts Forum, Arts Development Officer, Bush Theatre, Dance West, Youth Club, CCG, Health & Wellbeing Board | Baring Foundation, CCG | 2017/18 and on-going |
| | 66. LBHF will review how to support the vast range of grassroots (or community-led) performing arts, music and dance clubs active across the borough. Mapping and awareness raising will support increased engagement | Medium | Arts Development Officer | No additional costs anticipated | 2017/18 – 2018/19 |
| | 67. LBHF will examine the opportunities to provide free exhibition space to local artists in council owned and managed buildings across the borough | Medium | Arts Development Officer / Property Management | No additional costs anticipated | 2018/19 and on going |
| | 68. Following a review of the local demography, LBHF will examine approaches to develop cultural commissioning, as a means to secure the engagement of children and younger people in the arts to expand their horizons, ambitions and improve educational | Medium to High | Arts Network, Arts Development Officer, Children's services / Children's partnership, Youth Forum | Baring Foundation, CCG | 2018/19 and on going |

| | | | | | |
|--|---|--------|--|---------------------------------|----------------------|
| | attainment | | | | |
| | 69. LBHF will work with healthcare providers and third sector providers (for example AESOP arts enterprise) to promote the positive effects of participating in arts activity on health and wellbeing | Medium | Arts Network, Arts Development Officer, Health & Wellbeing Board, CCG | CCG or external funding | 2019/20 and on going |
| | 70. LBHF, through the provision of information, advice and support, and by working in partnership with arts providers and the creative industries sector, will research and explore the opportunity and capacity to increase the number of apprenticeships within creative organisations in the borough by offering support and information | Medium | Interim Head of Economic Development and Learning Services , Arts Network, Arts Development Officer, Arts Organisations, West London College, Creative industry business leaders | No additional costs anticipated | 2020/21 and on going |
| | 71. LBHF will promote the public artwork sited and exhibited at the Imperial College Healthcare Hospitals | Low | Arts Development Officer | No additional costs anticipated | 2020/21 |

Appendix: The arts in Hammersmith & Fulham today

We already have a thriving arts scene in Hammersmith & Fulham in many ways. We are home to a number of large and prestigious arts organisations with national and international reputations and we house a vibrant, diverse population of small organisations and artistic activity.

Destination

The borough has a strong and long-established performing arts presence, with the Lyric and Bush Theatres. We are home to the London Academy of Music and Dramatic Art (LAMDA), an international centre for drama training.

Music features strongly across the borough, with a rich commercial offering that includes Eventim Apollo, O2 Shepherds Bush Empire and Bush Hall. The latter is one of only seven independent venues remaining in London that offers a wide range of arts-based activities.

Our riverside locations offer ample opportunities for use as cultural sites. The soon-to-be-reopened Riverside Studios should provide a range of cultural spaces.

Fulham Palace, the country residence of the Bishop of London, and Kelmscott House, once home to William Morris, help us demonstrate the borough's rich cultural history.

The borough is host to fascinating and unique archives. Besides the council's own archives, this includes Riverside's extensive archive and the artist Alasdair Hopwood's False Memory Archive.

Creation

The dynamism of local arts activity beyond our high-profile organisations is evidenced in a range of activities. The borough-wide Artists at Home initiative has been running for over 40 years, while the more recent HF ArtsFest is a new festival on the calendar.

Even after its relocation, the BBC retains a strong presence in the borough. This media presence has provided us with a technological and creative footprint upon which to build.

We are proud that ACAVA continue to provide facilities to support visual artists, building on work that started in Hammersmith with council support in the early 1970s.

Inclusion

Our musical diversity is represented in offerings such as the schools-based Music Hub, The Music House for Children, Bush Hall and Fulham Opera.

The vibrancy of cultural venues is evident in the Polish Cultural Centre (POSK), the Irish Cultural Centre and The Bhavan Centre for Indian music and dance, as well as organisations such as the Kurdish Association.

We support an excellent network of libraries and we want to expand their community engagement and literacy development role, acting as focal points throughout the borough.

Commercial galleries, social enterprises and community interest companies are taking root in the borough and working with schools, colleges, community groups and artists. Examples include Studio 106, Youth Club and The Apothecary Gallery.

Through the adult learning classes run by the council, hundreds of residents create arts and crafts every year.

The creative industries in the borough

The GLA's recent report *Spaces to Think*⁴ identifies Hammersmith & Fulham as a successful "innovation district"⁵. It says that by virtue of its arts and technology sectors, investment in the borough will provide organisations with the necessary competitive advantages to increase trade.

According to *Spaces to Think*, the breadth of the local knowledge economy, with its emphasis on high-skill jobs which are often at the intersection of technology and creativity, has led to the development of the borough's innovation districts in areas with the right mix of economic, physical and networking assets. One such district identified is White City.

Recent research by Deloitte ranks London as the city with the largest growth in knowledge economy employees, boasting a 16% increase between 2013 and 2016, according to their definitions of the knowledge economy. Sydney, the second-ranked city, saw a growth of just 6.6%. New York, often portrayed as London's competitor for top globally-ranked city, saw its number of knowledge economy employees drop by 0.4% over the same period. London also boasts the largest share of knowledge-based employment as a percentage of all employment: 31% compared to New York's 27%.⁶

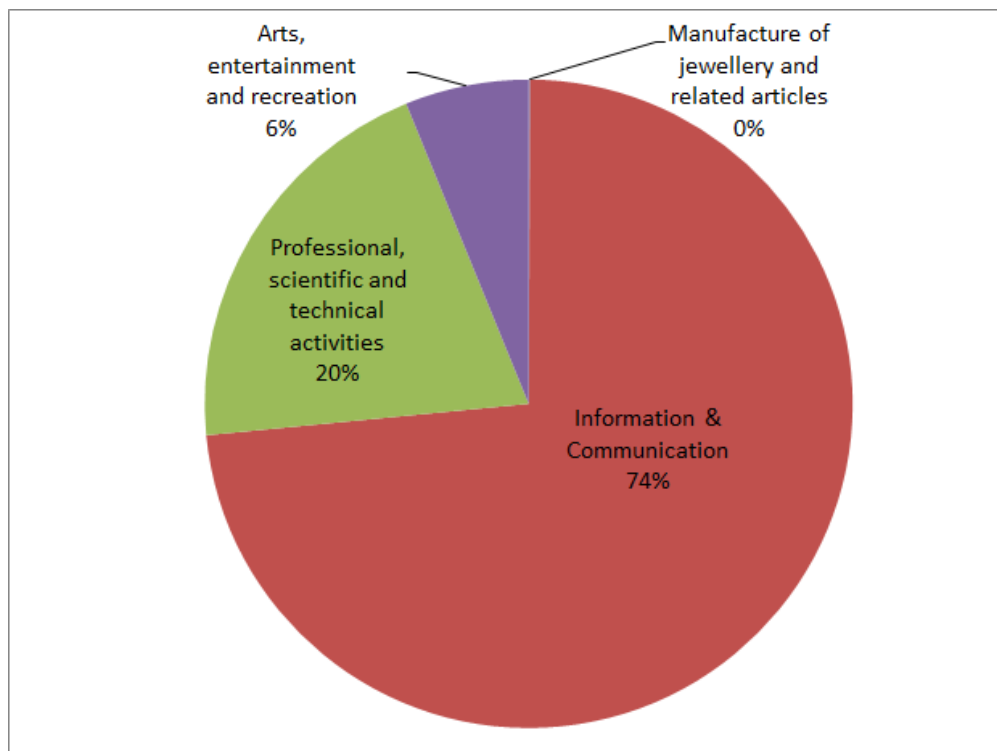
A snapshot of creative industries in LBHF shows that scientific, technical, information and communication industries dominate.

⁴ *Spaces to Think: Innovation Districts and the Changing Geography of London's Knowledge Economy*. Kat Hanna, Centre for London, April 2016

⁵ "Innovation districts" is a term used by Bruce Katz and Julie Wagner of the Brookings Institution to describe the rise of geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators and accelerators.

⁶ *Global Cities Global Talent. London's rising soft power*. Deloitte, 2016

1: The structure of creative industries within LBHF

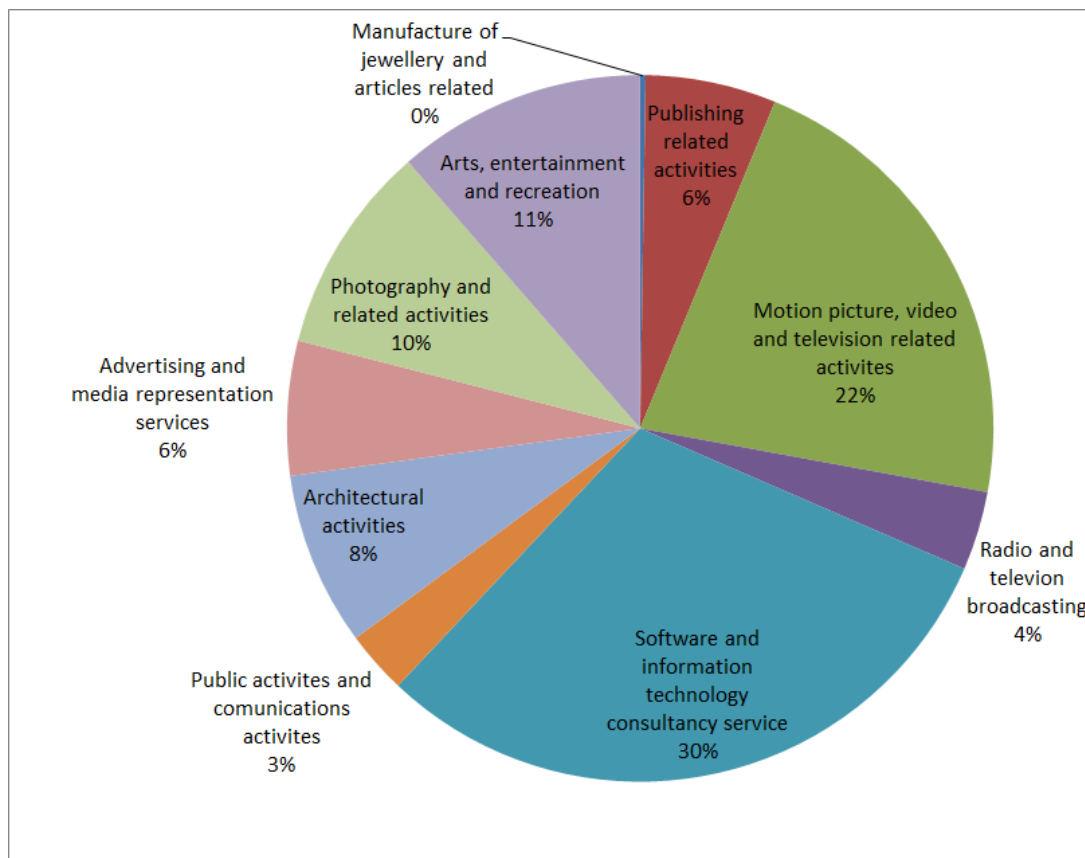


Source: BRES 2014, Office of National Statistics, employment figures

A closer look at these creative industries show that software and information technology consultancy services make up the largest proportion of the creative businesses within the Borough (30%); this is closely followed by businesses in the 'Motion picture, video and television related activities' industry division (22%).

Manufacture of jewellery and related articles, public activities and communication activities and radio and television broadcasting make up the smallest proportion of the creative businesses in Hammersmith and Fulham, this is shown in Chart 2 below.


2: Creative businesses in LBHF



Source: IDBR, 2015⁷

⁷ Publishing-related activities include the publishing of books, directories, mailing lists, journals, newspapers, computer games, software and other publishing activities

Agenda Item 11

| | |
|--|---|
| <p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 SEPTEMBER 2016</p> |  |
| METHOD FOR SHARING WRWA COSTS 2017-18 to 2025-26 | |
| Report of the Cabinet Member for Environment, Transport and Residents Services – Councillor Wesley Harcourt | |
| Open Report | |
| Classification - For Decision | |
| Key Decision: Yes | |
| Wards Affected: All | |
| Accountable Director: Sue Harris, Director for Cleaner, Greener, and Cultural Services | |
| Report Author: Kathy May | Contact Details: Tel: 020 8341 5616 E-mail: kathy.may@rbkc.gov.uk |

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the rationale for recommending that the Council continues with the current charging methodology for household waste disposal until 2025/26. This method was previously agreed by the WRWA constituent boroughs and ends in 2017. Should this not be agreed, the default mechanism will come into force, which is potentially less advantageous. The detail is set out in the briefing note at Appendix A.
- 1.2. On 18 January 2016 the Cabinet Member informally agreed to the continuation of the charging agreement. Formal agreement through Cabinet is now sought.

2. RECOMMENDATIONS

- 2.1. That the Council continues with the current methodology for charging waste disposal costs to Councils, using actual tonnages in the current year. This is to enable the Council to benefit immediately from reductions in waste, to avoid cross subsidy, and to avoid WRWA having to increase charges because it would bear the risk of tonnages increasing.

3. REASONS FOR DECISION

- 3.1 If the agreement is not renewed then there is a statutory method that will apply by default (see Annexe B to Appendix A). This is that the cost of waste disposal in a particular year will be charged to boroughs in proportion to the tonnages delivered to the Waste Authority in the previous complete year. There would be some consequences if the Council reverted to the statutory default methodology:
- The risk of tonnages being higher than in the previous complete year, and the consequential costs of disposing of that extra waste (through the contract with Cory) would rest with WRWA. As a result, and to ensure that risk was covered, WRWA would charge an estimated extra 2.2% to constituent boroughs.
 - The benefits from a council reducing its waste would not be felt immediately as a financial benefit.
- 3.2 A council increasing its waste in year would be subsidised by the other councils until the next year, or potentially the year after that.
- 3.3 A report to the WRWA meeting on 3 February by the WRWA Treasurer said *'Discussions are already underway with the Boroughs and verbal confirmation has been received to maintain the existing charging mechanism for a further eight years in line with the existing eight year term. These discussions and formal agreement will be progressed and reported back to the Authority in June 2016.'*

4. PROPOSAL AND ISSUES

- 4.1. An estimate of the financial implications of the statutory basis is set out in Annexe C to Appendix A. This examines the financial impact if the statutory basis had been used in 2015/16. For LBHF an additional cost of £182,000 is identified, due to the additional 2.2% charge made by WRWA for the risk it would be taking that tonnages might increase.
- 4.2 If tonnages did not increase across all four constituent boroughs then potentially WRWA would be in a position to make a refund of the 2.2% to the boroughs.
- 4.3 A revised draft of the existing agreement is attached as Appendix B. The proposed changes are minimal:
- The dates have been amended.
 - The references to business refuse have been removed as s1 of the RDA 1978 has been repealed.
 - The Clinical Waste definition has been updated to reflect the Controlled Waste Regulations.
 - References to LATS have been removed as the scheme has now ceased.
 - A couple of minor typos have been corrected.

- 4.4 WRWA can already charge for commercial and industrial waste on this basis (i.e. the current method of charging by tonnage) via S52(9) EPA 1990. The agreement is therefore for the constituent councils to pay for their Household Waste in this way rather than by the default method.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. These are set out above and in the briefing note attached as Appendix A.

6. CONSULTATION

- 6.1. Internal consultation with relevant departments has taken place, and comments inserted below. The Cabinet Member for Environment, Transport, and Residents' Services agreed the recommendation at the Cabinet Member Board meeting on 18 January 2016.

7. EQUALITY IMPLICATIONS

- 7.1. This proposal applies to all household waste disposed of on behalf of the borough by WRWA and so there are no equalities implications.

8. LEGAL IMPLICATIONS

- 8.1. The Joint Waste Disposal Authorities (Levies) (England) Regulations 2006 provides for the WRWA to impose levy on its constituent boroughs for its financial affairs. Such levy can either be mutually agreed by the constituent boroughs or failing which it will be as per the prescribed method. The prescribed method permits WRWA to levy the cost for waste disposal in proportion to the cost of WRWA for disposal of waste in relation to tonnage of waste delivered by the borough. The mutually agreed costs sharing method by the constituent boroughs is advantageous as brought out in the body of the report.
- 8.2. The proposed agreement for apportionment of waste disposal costs as appended, subject to any minor amendments, would suffice to record the proposed cost sharing arrangements for the next eight financial years.
- 8.3. Implications completed by: Babul Mukherjee, Senior Solicitor, Shared Legal Services, 02073613410

9. FINANCIAL IMPLICATIONS

- 9.1. The financial implications are all contained within the body of the report.
- 9.2. Implications verified/completed by: Mark Jones, Director for Finance Environmental services, x6700

10. IMPLICATIONS FOR BUSINESS

- 10.1 Not applicable.

11. RISK MANAGEMENT

- 11.1. The report recommendations seek to mitigate the risk of additional costs, a burden that would impact not only on the council but also the residents located in the borough. Not addressing this issue may impact negatively on budgets and failure to deliver the best possible services at best possible cost to the local taxpayer.

Risk Management implications verified by Michael Sloniowski, Shared Services Risk Manager, telephone 020 8753 2587.

12. PROCUREMENT IMPLICATIONS

- 12.1. There are no procurement related issues as the recommendations contained in this report relate to the current charging methodology for household waste disposal.

- 12.2. Implications completed by: Joanna Angelides, Procurement Consultant, 0208 753 2586

13. 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 A* - Method for Sharing WRWA Costs – Briefing
Appendix B - Agreement relating to the apportionment of Waste Disposal Costs

Method for Sharing WRWA Costs Briefing

APPENDIX A

Under the current arrangements with Western Riverside Waste Authority (WRWA) each borough delivers its waste to WRWA and is charged per tonne for the disposal of that waste.

This method of charging is one that the four boroughs entered into voluntarily and that agreement comes to an end in March 2017.

If that agreement is not renewed then there is a statutory method that will apply by default (see Annexe B). This is that the cost of waste disposal in a particular year will be charged to boroughs in proportion to the tonnages delivered to the Waste Authority in the previous complete year.

There are some advantages to the current methodology:

- Each Council 'pays as it goes'.
- If a council succeeds in reducing its waste then it sees the financial benefits immediately
- If a council succeeds in increasing its proportion of recyclables then it sees the financial benefits immediately.

There would be some consequences if we reverted to the statutory default methodology:

- The risk of tonnages being higher than in the previous complete year, and the consequential costs of disposing of that extra waste (through the contract with Cory) would rest with WRWA. As a result, and to ensure that risk was covered, WRWA would charge an estimated extra 2.2% to constituent boroughs.
- The benefits from a council reducing its waste would not be felt immediately as a financial benefit.
- A council increasing its waste in year would be subsidised by the other councils until the next year, or potentially the year after that¹.

The views of the WRWA Treasurer are set out in Annexe A.

An estimate of the financial implications of the statutory basis is set out in Annexe C. This examines the financial impact if the statutory basis had been used in 2015/16. For LBHF an additional cost of £182,000 is identified, due to the additional 2.2% charge made by WRWA for the risk it would be taking that tonnages might increase.

¹ Depending on how it was implemented the statutory basis could introduce a two year delay. The 2017/18 budget would be set by WRWA in February 2017. It would need to use the last complete year's tonnage data to calculate the charges to boroughs, which would be 2015/16.

If tonnages did not increase across all four constituent boroughs then potentially WRWA would be in a position to make a refund of the 2.2% to the boroughs.

Recommendation:

That the Council continues with the current methodology for charging waste disposal costs to Councils, using actual tonnages in the current year. This is to enable the Council to benefit immediately from reductions in waste, to avoid cross subsidy, and to avoid WRWA having to increase charges because it would bear the risk of tonnages increasing.

Mark Jones
Director for Finance
29/12/15

Email from WRWA Treasurer
2 December 2015

Charging arrangements for Western Riverside Waste Authority

The existing charging arrangements for the Authority are subject to an agreement between the Authority and the constituent Councils which commenced in April 2009 and is due to expire at the end of March 2017. At the Authority meeting on 1st December 2015, when considering next years budget, Members resolved that it would be it's preference for the current arrangements to be continued. However, this is not a decision that the Authority can make on it's own as it requires the agreement of all four constituent councils.

In the event that no agreement is reached, the Authority will have no option but to charge on the statutory default basis, set out in section 4 of The Joint Waste Disposal Authorities (Levies) (England) Regulations 2006, from April 2017. I append a link to the detailed regulations.

<http://www.legislation.gov.uk/uksi/2006/248/contents/made>. You will note that the default arrangements charge on historic tonnage with a differentiation between business and household waste but no differentiation between recycle and general waste.

When the current arrangements were first proposed I wrote to Constituent Councils in December 2007. The basic case for the system is in my mind the same now as then and I quote from my original correspondence to outline the basic advantages and fairness of the current arrangements:

"...shortcomings of the apportionment include its historic reference point for tonnages, on average two years prior to the expenditure for the levy year concerned, and that effectively costs are apportioned on the basis of an average cost per tonne across all constituent councils of a waste disposal authority. Thus there is a delay in individual Councils receiving the benefit of waste minimisation or opting for a cheaper waste management stream and any benefit earned by one is in part shared with other constituent councils."

The current waste charging arrangements are in my view simple to understand and reflect actual costs incurred with no cross subsidy between waste streams or Councils. They leave the risk of tonnage changes with the Constituent Councils who are the best suited to deal with them and who of course will gain directly from any reduction in tonnage or diversion to recycle or by setting up any other local initiative. Under the default arrangements these benefits flow through two years later and are shared by all, not just the Council who has initiated the change. In the view of the Authority this does not reward good practice or incentivise innovation.

In addition, under the default basis, the level of household tonnage per year must be estimated and consequently tonnage level risk is transferred to the Authority. Therefore the Authority will need to make financial provision for this risk in the charge made which is likely to result in an increase in the cost per tonne for all four Councils. This would be avoided if the current mechanism is maintained.

As I mentioned earlier, the decision now rests with the Constituent Councils to decide whether they wish to continue with the current arrangement or to propose collectively a revised arrangement. If no agreement is reached then we will use the default arrangements. In the briefing on the draft budget in November I have already mentioned this to Sue Harris. However I am happy to meet to discuss further either with yourself or with all the fellow Section 151 officers to whom I have written similar letters if you would find this helpful.

Ideally, the Authority would wish to have a revised agreement in place by September next year which will require the four Councils to have agreed any decision through their own governance mechanisms before then - hence the early warning.

I have copied this letter to the responsible Executive Director and the Authority members.

Yours Sincerely

Chris Buss
Treasurer

Extract from The Joint Waste Disposal Authorities (Levies) (England) Regulations 2006

Apportionment of levies

4.—(1) Subject to regulation 5, the amount to be levied by a joint waste disposal authority in respect of any financial year from each of its constituent councils shall be determined by apportioning the total amount to be levied by that authority in that year between those councils as follows—

- (a) in such proportions as all the constituent councils may agree; or
- (b) in the absence of such agreement, by a combination of the following proportions—

- (i) the costs incurred by the joint waste disposal authority in the disposal or treatment of household waste delivered to it by its constituent councils shall be apportioned between the constituent councils in proportion to the tonnage of household waste delivered by each of these councils to the joint waste disposal authority within the last complete financial year for which data are available;

- (ii) the costs incurred by the joint waste disposal authority in the disposal or treatment of business refuse that is deposited at places provided by the constituent councils under section 1 of the Refuse Disposal (Amenity) Act 1978(a) shall be apportioned between the constituent councils in proportion to the tonnage of business refuse deposited at such places within the area of each of these councils within the last complete financial year for which data are available; and

- (iii) all other costs not falling within paragraphs (i) or (ii), shall be apportioned between the constituent councils by reference to the relevant proportion.

(2) For the purposes of paragraph 1(b)(iii), “the relevant proportion” is the relevant proportion determined in accordance with paragraphs (5) to (7) of regulation 6 of the 1992 Regulations but as if, in those paragraphs, the references to —

- (a) “levying body” were references to a joint waste disposal authority; and
- (b) “relevant authority” and “billing authority” were references to a constituent council.

[i.e. it requires the use of the council tax base method of apportionment].

(3) Where paragraph (1)(b) applies to the determination of a levy to be issued in respect of any financial year beginning on or after 1st April 2007, a constituent council shall, within the period beginning on 1st December and ending on 31st January in the financial year preceding the financial year in respect of which the levy is to be issued, inform the joint waste disposal authority of—

- (a) the tonnage of household waste delivered to the joint waste disposal authority for disposal or treatment within the last complete financial year for which data are available;
- (b) the tonnage of business refuse that was deposited at places provided by the constituent council under section 1 of the Refuse Disposal (Amenity) Act 1978 within the last complete financial year for which data are available; and
- (c) the council tax base, determined in accordance with paragraphs (6) and (7) of regulation 6 of the 1992 Regulations, for its area, in respect of which a levy will be issued or it anticipates that a levy will be issued in the immediately following financial year.

(4) In this regulation— “household waste”, has the same meaning as in section 75 of the Environmental Protection Act 1990(a); “business refuse” means refuse falling to be disposed of in the course of a business, and “refuse” has the same meaning as in section 1(7) of the Refuse Disposal (Amenity) Act 1978.

[Note: The ‘1992 Regulations’ are the Levying Bodies (General) Regulations 1992, see <http://www.legislation.gov.uk/uksi/1992/2903/contents/made>]

Annexe C

WRWA Default Charging Methodology

Analysis of Waste by Commercial/Household

Source of data is WRWA

| | Proportions of household tonnage delivered for the last complete financial year 2014/15 | Cost of Household Waste 2015/16 WRWA Budget £000s | Proportions of commercial waste tonnage last complete year 2014/15 | Cost of Commercial Waste WRWA 2015/16 Budget £000s | Total WRWA Budget 2015/16 £000 | Weighted proportion |
|-----|---|---|--|--|--------------------------------|---------------------|
| H&F | 0.19 | 5860 | 0.25 | 3150 | 9010 | 0.21 |
| K&C | 0.19 | 6111 | 0.26 | 3197 | 9308 | 0.21 |
| L | 0.28 | 8818 | 0.42 | 5140 | 13958 | 0.32 |
| W | 0.34 | 10735 | 0.07 | 887 | 11622 | 0.26 |
| | 1.00 | 31524 | 1.00 | 12374 | 43898 | 1.00 |

Impact of Reversion to Default Charging Method

Data from WRWA Budget Paper 793 November 2015

| | Tonnages | | 2015/16 Forecast Charges to Boroughs £000s | | | | 2015/16 forecast if Weighted Proportion 2014/15 tonnages used £000s | Add 2.2% extra charge from WRWA for risk | Increase/Decrease (-) to 2015/16 Forecast £000s | Notes |
|---------------|-----------------|------------------|--|--------------------|-------|--------------|---|--|---|-------|
| | 2014/15 Actuals | 2015/16 Forecast | General Waste | Co-mingled recycle | Other | Total | | | | |
| Civic Amenity | 22001 | 22548 | | | | | | 0.022 | | 1 |
| H&F | 73882 | 73645 | 8690 | 284 | 99 | 9073 | 9056 | 9255 | 182 | |
| K&C | 79036 | 79167 | 8732 | 412 | 92 | 9236 | 9355 | 9560 | 324 | |
| L | 113752 | 112396 | 13226 | 454 | 72 | 13752 | 14029 | 14337 | 585 | |
| W | 100526 | 101952 | 11313 | 480 | 266 | 12059 | 11681 | 11938 | -121 | |
| Total | 389197 | 389708 | | | | 44120 | 44120 | 45091 | 971 | |

Total

389207

389677

0

10

-31

Notes:

1. Civic amenity disposal costs are charged to boroughs separately as part of the levy, using the Council Tax base as the apportionment basis, so are not relevant to this calculation.

APPENDIX B

DATED

2016

(1) WESTERN RIVERSIDE WASTE AUTHORITY

- and -

**(2) MAYOR AND BURGESSES OF THE
LONDON BOROUGH OF HAMMERSMITH AND FULHAM**

- and -

(3) ROYAL BOROUGH OF KENSINGTON AND CHELSEA

- and -

**(4) MAYOR AND BURGESSES OF THE
LONDON BOROUGH OF LAMBETH**

- and -

**(5) MAYOR AND BURGESSES OF THE
LONDON BOROUGH OF WANDSWORTH**

AGREEMENT

relating to

the apportionment of Waste Disposal Costs

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THIS DEED is made on 20

BETWEEN

- (1) **WESTERN RIVERSIDE WASTE AUTHORITY** of Smugglers Way, Wandsworth, London SW18 1JS (together with its successors in title the "**Authority**");
- (2) **MAYOR AND BURGESSES OF THE LONDON BOROUGH OF HAMMERSMITH AND FULHAM** of The Town Hall, King Street, London W6 9JU (together with its successors in title the "**LBHF**");
- (3) **ROYAL BOROUGH OF KENSINGTON AND CHELSEA** of The Town Hall, Kensington, London W8 9JU (together with its successors in title the "**RBKC**");
- (4) **MAYOR AND BURGESSES OF THE LONDON BOROUGH OF LAMBETH** of The Town Hall, Brixton Hill, London SW2 (together with its successors in title the "**LBL**"); and
- (5) **MAYOR AND BURGESSES OF THE LONDON BOROUGH OF WANDSWORTH** of The Town Hall, Wandsworth High Street, London SW18 2PU (together with its successors in title the "**LBW**").

BACKGROUND

- A The Authority is a joint waste disposal authority established under the Waste Regulation and Disposal (Authorities) Order 1985 (and named in Schedule 1 to that Order).
- B The Authority may, in accordance with the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006, issue levies on its Constituent Councils to meet all liabilities falling to be discharged by it for which no provision is otherwise made.
- C Regulation 4 of the 2006 Regulations details that the amount to be levied by the Authority in respect of any Financial Year from each of its Constituent Councils shall be determined by apportioning the total amount to be levied by the Authority in that year between the Constituent Councils either in such proportions as all the Constituent Councils may agree; or in the absence of such agreement, by a combination of proportions that are laid down in the 2006 Regulations.

- D This Agreement is to formally record that, as permitted by paragraph (1)(a) of Regulation 4 of the 2006 Regulations, from 1st April 2017, all the Constituent Councils agree that for a period of eight (8) Financial Years the costs incurred by the Authority in the disposal or treatment of Household Waste delivered to it by the Constituent Councils shall be recovered in the manner set out in this Agreement rather than the default methods described in paragraphs (1)(b)(i) and (1)(b)(ii) of Regulation 4 of the 2006 Regulations.
- E The default apportionment method described in paragraph (1)(b)(iii) of Regulation 4 of the 2006 Regulations for other costs not falling within paragraphs (1)(b)(i) and (1)(b)(ii) of Regulation 4 of the 2006 Regulations will continue to apply .
- F The purpose of this Agreement is to enable individual Constituent Councils to receive an immediate and direct benefit from any reduction in the tonnage of residual waste or recyclables that they present to the Authority. It also provides an immediate and direct benefit to Constituent Councils of opting for cheaper post collection waste management treatment methods among those offered by the Authority and protection from any additional costs caused by other Constituent Councils opting for more expensive post collection waste management treatments among those offered by the Authority.
- G Upon termination or expiry of this Agreement, the default method described in paragraphs (1)(b)(i) and (1)(b)(ii) of Regulation 4 of the 2006 Regulations (as amended or replaced by statute) will apply unless the parties enter into a further unanimous written agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following expressions shall have the following meanings:

“1985 Order” means the Waste Regulation and Disposal (Authorities) Order 1985 (as amended);

“1992 Regulations” means the Levying Bodies (General) Regulations 1992 (as amended);

“2006 Regulations” means The Joint Waste Disposal Authorities (Levies) (England) Regulations 2006 (as amended);

"Agreement" means this agreement including the annexures hereto;

"Authority Waste" means all Waste types delivered to the Authority by, or on behalf of, the Constituent Councils in their capacities as waste collection authorities under the Environmental Protection Act 1990;

"Bulk Recyclables" means Authority Waste consisting of Source Segregated Recyclables of one commodity type delivered in bulk either loose or bagged (as specified by the Authority);

"Clinical Waste" means Authority Waste consisting of Clinical Waste as defined in the Controlled Waste (England and Wales) Regulations 2012;

"Commercial Waste" has the same meaning as in section 75(7) of the Environmental Protection Act 1990;

"Commencement Date" means 1st April 2017;

"Co-mingled Recyclables" means Authority Waste, delivered loose or in plastic bags, consisting of an acceptable mix (as notified by the Authority to the Constituent Councils from time to time) of one or more Source Segregated Recyclables;

"Constituent Councils" means collectively, in part or whole, the LBHF, the RBKC, the LBL and the LBW each being a council specified in relation to the Authority in Schedule 1 to the 1985 Order;

"Contract Period" means a period of eight (8) Financial Years from the Commencement Date unless terminated earlier pursuant to clauses 7.2 or 7.3 of this Agreement;

"Detritus Waste" means Authority Waste collected by or on behalf of any Constituent Council:

- (a) from Garchey Systems; and
- (b) mechanical street sweeping and gully clearance operations which may be unavoidably wet and require de-watering prior to disposal as a result of its method of collection;

"Financial Year" means any period of twelve months beginning with 1st April;

"**General Waste**" means MRF Residuals and Authority Waste, but excluding Other Authority Waste delivered to the Authority for disposal or treatment by or on behalf of the Constituent Councils;

"**Household Waste**" has the same meaning as in section 75 of the Environmental Protection Act 1990;

"**Industrial Waste**" has the same meaning as in section 75(6) of the Environmental Protection Act 1990;

"**Inert Waste**" means brick, soil, sand, stone, concrete, paving stones, kerb stones, crushed glass and tarmac and any other such materials that the Authority may notify to the Constituent Councils that it is able to receive from time to time;

"**LIBOR**" means the London Interbank Offered Rate for 3 month deposits as published daily by the British Bankers' Association;

"**MRF**" means the materials reclamation facility to be constructed by the Authority at Smugglers Way, Wandsworth SW18 1JS;

"**MRF Residuals**" means residual Authority Waste which results from the Co-Mingled Recyclables that are delivered by or on behalf of the Constituent Councils and processed at the MRF;

"**Other Authority Waste**" means Tyre Waste, Inert Waste, Clinical Waste, Bulk Recyclables, Co-mingled Recyclables and Detritus Waste;

"**Source Segregated Recyclables**" means mixed paper, mixed cans, mixed glass, colour separated glass, textiles, clean timber, scrap metal, green waste and any other such materials that the Authority may notify to the Constituent Councils that it is able to receive from time to time which are segregated prior to delivery to the Authority;

"**Tyre Waste**" means Authority Waste consisting of motor vehicle tyres;

"**Waste**" means household, industrial and commercial wastes as defined in Section 75 of the Environmental Protection Act 1990 and any regulations made thereunder, to include detritus, but excluding liquid waste;

"**Waste Types**" shall have the meaning ascribed to it in clause 3.3 of this Agreement;

“WEEE Waste” means Authority Waste consisting of waste electrical and electronic equipment delivered in bulk (as specified by the Authority) being fridges/freezers, televisions and monitors, small and large electrical equipment, and other any such materials that the Authority may notify to the Constituent Councils that it is able to receive from time to time;

"Working Day" means any day (other than a Saturday, a Sunday or an English Bank Holiday) on which clearing banks in the City of London are open during banking hours.

"WMSA" means the Amended and Restated Waste Management Services Agreement dated 31st July 2008 between the Authority and Cory Environmental Limited.

1.2 In this Agreement unless otherwise specified, reference to:

1.2.1 "includes" and "including" shall mean including without limitation;

1.2.2 recitals, clauses, paragraphs or schedules is to recitals, clauses and paragraphs of and schedules to this Agreement. The schedules form part of the operative provisions of this Agreement and references to "this Agreement" shall, unless the context otherwise requires, include references to the recitals and the schedules;

1.2.3 writing shall include typewriting, printing, lithography, photography and other modes of representing words in a legible form (other than writing on an electronic or visual display screen) or other writing in non-transitory form; and words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders.

1.3 The index to and the headings in this Agreement are for information only and are to be ignored in construing the same.

2. STATUTORY DEFAULT ARRANGEMENTS

2.1 During the Contract Period, the default levy apportionment described in paragraphs (1)(b)(i) and (1)(b)(ii) of Regulation 4 of the 2006 Regulations shall not apply and the costs incurred by the Authority in the disposal or treatment of Household Waste

delivered to it by the Constituent Councils shall be apportioned by the Authority between the Constituent Councils in the manner set out in this Agreement.

- 2.2 The default apportionment method described in paragraph (1)(b)(iii) of Regulation 4 of the 2006 Regulations for other costs not falling within paragraphs (1)(b)(i) and (1)(b)(ii) of Regulation 4 of the 2006 Regulations will continue to apply during the Contract Period.
- 2.3 During the Contract Period, the payment of the element of the levy described in paragraph (1)(b)(iii) of Regulation 4 of the 2006 Regulations for all other costs for which no provision is otherwise made by the Constituent Councils shall be annually in advance in the manner set out in this Agreement and no longer by monthly payments.
- 2.4 Appendix 1 to this Agreement contains confirmation, from authorised persons, that the agreement of each Constituent Council and the Authority has been properly obtained in accordance with the procedures laid down in their respective rules and regulations.

3. RECOVERY OF AUTHORITY COSTS

- 3.1 The Authority will use the process described in paragraphs 3.3 to 3.10 to recover its costs in respect of Household Waste, Commercial Waste and Industrial Waste delivered to it by the Constituent Councils or their agents.
- 3.2 The Authority has the power under Section 52 (9) of the Environmental Protection Act 1990 to recover its costs with respect to Commercial Waste and Industrial Waste.
- 3.3 The Authority shall, by the 15th February each year, notify the Constituent Councils, in its absolute discretion, the rate per tonne that the Constituent Councils must pay to the Authority, in the following Financial Year, for each of the following types of waste delivered to the Authority by the Constituent Councils or their agents:
 - 3.3.1 General Waste;
 - 3.3.2 Detritus Waste;
 - 3.3.3 Tyre Waste;
 - 3.3.4 WEEE Waste;

- 3.3.5 Clinical Waste;
- 3.3.6 Inert Waste;
- 3.3.7 Co-mingled Recyclables; and
- 3.3.8 Bulk Recyclables;

together known as "Waste Types".

3.4 There are cost variables, outside of the Authority's control, which cannot be known by the Authority prior to 15th February in each Financial Year when the rates per tonne for each Waste Type must be set. The Authority shall therefore set rates per tonne which reasonably reflect the Authority's anticipated costs and incomes for each Waste Type in the following Financial Year. In setting such rates the factors that will be considered by the Authority will include, but not be limited to:

- 3.4.1 the anticipated contract rates as laid out in the WMSA;
- 3.4.2 the cost of landfill tax by individual Waste Type;
- 3.4.3 in the case of Co-Mingled Recyclables, handled through the MRF, the cost of repayment of the Authority's capital loan used to construct the MRF and the cost of further treating any MRF Residuals. For the avoidance of doubt, should there be a material change in the tonnage of Co-Mingled Recyclables delivered by one, or more, Constituent Councils, from the levels anticipated when assessing the rate per tonne for Co-Mingled Recyclables, the Authority reserves the right to re-charge the costs associated with the repayment of the capital loan used to construct the MRF, or a proportion of those costs in accordance with the provisions specified in clause 2.2;
- 3.4.4 in the case of Co-Mingled Recyclables, handled prior to construction of the MRF, based on anticipated tonnages, other costs, such as rent and business rates, directly associated with the operations;
- 3.4.5 in the case of Bulk Recyclables, the costs or income received from third parties on the commodity markets; and
- 3.4.6 transport costs.

- 3.5 Prior to setting its budget for the subsequent Financial Year the Authority shall review the estimated cost allocation for each Waste Type and the estimated tonnages used to calculate the rate per tonne for each Waste Type against the actual costs incurred by the Authority in respect of those Waste Types and the actual tonnages received in the current Financial Year to assess whether the actual cost per tonne incurred by the Authority in respect of each Waste Type is greater or less than the estimate. Should the estimated rate per tonne for any Waste Type in the Financial Year under review vary significantly from the actual rate per tonne then the Authority shall reclaim or rebate such shortfall or surplus by appropriate adjustment of the rate per tonne for that Waste Type in the following Financial Year.
- 3.6 Should the mechanism for recovery under clause 3.5 result in the Authority being unable to recover its costs in the following Financial Year the Authority shall recover those and any other shortfalls or costs, in accordance with the provisions specified in clause 2.2.
- 3.7 No later than 15th February in each Financial Year, the Authority shall inform each of the Constituent Councils their portion of the costs incurred by the Authority under section 1(b)(iii) of Regulation 4 of the 2006 Regulations. Each Constituent Council shall pay the full annual levy due from them to the Authority under paragraph (1)(b)(iii) of Regulation 4 of the 2006 Regulations by 5 April in each Financial Year.
- 3.8 As soon as possible following the end of each calendar month the Authority will raise an invoice for the Authority Waste delivered to it by each Constituent Council during the previous calendar month calculated using the cost per tonne rates applicable for the current Financial Year.
- 3.9 All invoices raised by the Authority will have attached sufficient supporting information to enable proper verification of the invoice to be carried out.
- 3.10 Authority invoices raised by the Authority under clause 3.8 shall be settled by the Constituent Councils within fifteen (15) Working Days of the invoice date.
- 3.11 The Authority will charge interest on all amounts outstanding on unpaid invoices from the date that the invoice was raised. Such interest shall accrue and be calculated on a daily basis at the rate of two percent (2%) above the published LIBOR rates from time to time.

4. THE AUTHORITY'S OBLIGATIONS

- 4.1 The Authority shall set rates per tonne for each of the Waste Types that reasonably and properly reflect its costs including any significant gains or shortfalls from the current Financial Year as referred to in clause 3.5.
- 4.2 The Authority shall raise invoices as promptly as reasonably possible.
- 4.3 The Authority warrants to the other parties to this Agreement that immediately prior to the execution of this Agreement:
 - 4.3.1 it has the power to enter into and perform its obligations under this Agreement;
 - 4.3.2 it has all necessary consents to enter into and perform its obligations, under this Agreement.

5. THE CONSTITUENT COUNCILS OBLIGATIONS

- 5.1 The Constituent Councils shall promptly inform the Authority of any change in their circumstances that might significantly alter either the tonnage of Authority Waste or the proportions of different Waste Types that it might deliver in the following Financial Year.
- 5.2 The Constituent Councils shall promptly settle all invoices in the timeframes set out in this Agreement.
- 5.3 The Constituent Councils each warrant to the other parties to this Agreement that immediately prior to the execution of this Agreement:
 - 5.3.1 it has the power to enter into and perform its obligations under this Agreement;
 - 5.3.2 it has all necessary consents to enter into and perform its obligations, under this Agreement.

6. RECORDS AND INFORMATION

- 6.1 The Authority shall aim to publish as soon as possible and generally within one Working Day, details of the daily tonnages of Authority Waste and the Waste Types delivered by each of the Constituent Councils or their agents.
- 6.2 Such publication will be by way of a web site that is freely available for the Constituent Councils to view and download data.

7. DURATION & TERMINATION

- 7.1 This Agreement shall continue in full force and effect for the Contract Period.
- 7.2 Any party may terminate this Agreement by notice in writing to the other parties in the event that:
 - 7.2.1 a change in law has occurred that significantly alters the circumstances under, or the purpose for, which this Agreement was entered into; or
 - 7.2.2 to continue with this Agreement would, or would be likely to, put it in breach of any of its statutory duties.
 - 7.2.3 an unforeseeable change in circumstances has occurred, or would be likely to occur, that puts it in a significantly disadvantaged position. For the avoidance of doubt, nothing in this Agreement shall entitle the Constituent Councils to terminate this Agreement due to any increase in the costs payable by any of them to the Authority hereunder arising from the suspension of the statutory default position under clauses 2.1 and 2.2 of this Agreement.
- 7.3 Any three Constituent Councils may terminate this Agreement by serving notice in writing to the Authority and the other Constituent Councils.
- 7.4 Any termination notice must be served in writing, addressed, as applicable, to the Chief Executive or Clerk of each of the other parties.
- 7.5 The following notice periods shall apply in relation to termination of this Agreement under clauses 7.2 and 7.3:

- 7.5.1 any termination notice served before 15th August in any Financial Year shall terminate this Agreement on 31st March of that Financial Year. For example, a notice served on 14th August 2017 would terminate this Agreement on 31st March 2018; and
- 7.5.2 any termination notice served after 15th August in any Financial Year shall terminate this Agreement on 31st March of the Financial Year following the then current Financial Year. For example, a notice served on 16th August 2017 would terminate this Agreement on 31st March 2019.

8. MISCELLANEOUS

- 8.1 Any notice to be given under this Agreement shall either be delivered personally or sent by first class recorded delivery post or by fax. The address for service of each party shall be its registered office or such other address as either party may have previously notified to the other party in writing. A notice shall be deemed to have been served as follows:
- 8.1.1 if personally delivered, at the time of delivery given prior to 5.00pm on a Working Day and if given after 5.00pm on the next Working Day;
- 8.1.2 if posted, at the expiration of two Working Days after the date of posting; and
- 8.1.3 if sent by fax, at the time of transmission if sent prior to 5.00pm on a Working Day and if sent after 5.00pm on the next Working Day.

In proving such service it shall be sufficient to prove that personal delivery was made, or that the envelope containing such notice was properly addressed and delivered into the custody of the postal authority as prepaid first class, recorded delivery or that the correct transmission report was received from the fax machine sending the notice as the case may be.

- 8.2 This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof and supersedes all previous agreements and understanding between the parties with respect hereto whether written or oral and whether express or implied. Nothing in this clause 8.2 shall operate to exclude any party's liability to the other for fraud or fraudulent misrepresentation.

- 8.3 No delay or omission of any party in exercising any right under this Agreement will impair that right or be construed as a waiver of that right, nor will any single or partial exercise of any right preclude any further exercise of that right or the exercise of any other rights. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by the general law.
- 8.4 If any provision of this Agreement is held to be invalid, unenforceable or void, such decision shall not have the effect of invalidating or rendering void the remainder of this Agreement. If any provision of this Agreement shall be held to be void or declared illegal, invalid or unenforceable for any reason whatsoever, such provision shall be divisible from this Agreement and shall be deemed to be deleted from this Agreement and the validity of the remaining provisions shall not be affected. In the event that any such deletion materially affects the interpretation of this Agreement then the parties shall negotiate in good faith with a view to agreeing a substitute provision which as closely as possible reflects the original intention of the parties.
- 8.5 This Agreement is intended and agreed to be for the benefit solely of the parties and their lawful successors and permitted assigns and is not intended to create any right enforceable by any other person.
- 8.6 A person who is not a party to this Agreement shall have no rights to enforce the same under or pursuant to the Contracts (Rights of Third Parties) Act 1999.
- 8.7 No amendment to this Agreement shall be binding unless in writing and signed by duly authorised representatives of the Authority and the Constituent Councils.
- 8.8 This Agreement may be executed in any number of counterparts which together shall constitute one Agreement. Any party may enter into this Agreement by executing a counterpart and this Agreement shall not take effect until it has been executed by all parties.
- 8.9 This Agreement shall be binding on and shall inure for the benefit of each party's successors and permitted assigns. Subject to the other provisions of this Agreement none of the parties may, without the written consent of the others, assign any of their respective rights or obligations under this Agreement save that any of the parties may assign their rights under this Agreement to any public body (being a single entity) which is a successor body on their amalgamation or reconstruction having the legal

capacity, power and authority to become a party to and to perform the obligations of that party under this Agreement

9. DISPUTE RESOLUTION

9.1 The Parties shall attempt to resolve any dispute arising out of or relating to this Agreement through negotiations between the Chief Executive or Clerk of each of the Parties. If the dispute is not resolved within 30 days of receipt of a written request to enter into negotiations, the parties shall attempt to resolve the dispute in good faith through mediation in accordance with the Centre for Effective Dispute Resolution ("CEDR") Model Mediation Procedure.

9.2 The mediation shall be conducted by a single mediator appointed by the parties in dispute or, if the parties are unable to agree on the identity of the mediator or if the person appointed is unable or unwilling to act, the mediator shall be appointed by CEDR on the application of either party.

9.3 If the dispute has not been resolved by mediation within sixty (60) days of the initiation of that procedure, any party may commence court proceedings.

10. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with English law and, subject to the provisions of clause 9, shall be subject to the exclusive jurisdiction of the English courts.

IN WITNESS whereof this Agreement has been executed as a deed and delivered on the date first above written.

**THE COMMON SEAL of WESTERN)
RIVERSIDE WASTE AUTHORITY was)
hereunto affixed in the presence of:)
)
)**

**THE COMMON SEAL of MAYOR AND)
BURGESSES OF THE LONDON BOROUGH)
OF HAMMERSMITH AND FULHAM was)
hereunto affixed in the presence of:)
)**

THE COMMON SEAL of ROYAL)
BOROUGH OF KENSINGTON AND)
CHELSEA was hereunto affixed in the presence)
of:)
)

THE COMMON SEAL of MAYOR AND)
BURGESSES OF THE LONDON BOROUGH)
OF LAMBETH was hereunto affixed in the)
presence of:)
)

THE COMMON SEAL of MAYOR AND)
BURGESSES OF THE LONDON BOROUGH)
OF WANDSWORTH was hereunto affixed in)
the presence of:)
)

ANNEXURES

Constituent Council and Authority Authorisations

Please see the attached documents.

Agenda Item 12

Executive Decision Report

| | | |
|---|---|---|
| Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken | Cabinet Date of decision (i.e. not before): 5 th September 2016 |  |
| | Cabinet Member for Planning Policy, Transport and Arts Date of decision (i.e. not before): 27 th June 2016 Forward Plan reference: 04824/16/P/AB |  |
| Report title (decision subject) | CONTRACT AWARD FOR STATUTORY DOCUMENT PRINTING, PAYMENT PROCESSING AND CORRESPONDENCE SCANNING SERVICES FOR PARKING SERVICES | |
| Reporting officer | Matt Caswell, Departmental Project Manager, Environmental Services | |
| Key decision | Yes | |
| Access to information classification | Open Report A separate report on the exempt part of the Cabinet agenda (PART B Appendix) provides exempt financial information. | |

1. EXECUTIVE SUMMARY

- 1.1. In December 2014 approval was granted by both Councils to procure a joint Parking Services contract for the printing of statutory documents, the scanning of incoming correspondence and processing of payments. For the purposes of the Public Contracts Regulations 2006 (as amended) the London Borough of Hammersmith and Fulham was to act as the Contracting Authority.
- 1.2. With the advent of the new Parking IT system H&F approved entering into temporary contracts with the incumbent service providers for these services to ensure business continuity; these contracts are in place until the 31st October 2016.
- 1.3. The joint procurement exercise will result in savings of £50,150 across the two Councils per annum as a result of the combined volumes offered to the recommended suppliers. The joint contracts also allow streamlining of processes and interfaces into the new Parking IT system and reduce the contract monitoring required.
- 1.4. The procurement exercise was split into two lots to reflect the different markets. Lot 1 was for printing of Parking related statutory documents; Lot 2 was for the scanning of incoming correspondence and payment processing services.
- 1.5. Whilst H&F is acting as the Contracting Authority for the purposes of the 2006 Regulations, officers from both councils have been involved in the process as part of the tender appraisal panel.

2. RECOMMENDATIONS

- 2.1. That the London Borough of Hammersmith and Fulham and the Royal Borough of Kensington and Chelsea award contracts as follows
 - Lot 1 – (Statutory documentation printing) to Liberty Printers (AR & RF Reddin) Limited for the total contract sum of £535,000 over 8 years (£67,000 per annum) assuming current levels of service.
 - Lot 2 – (Scanning of incoming correspondence and payment processing services) to R R Donnelley Global Solutions Group Limited for the total contract sum of £780,000 (£97,500 per annum) assuming current levels of service.

3. REASONS FOR DECISION

- 3.1. Awarding joint service contracts for both lots will provide savings when compared with both Councils' current costs; see the Confidential Part B Appendix for further detail (contained in the exempt report on the exempt Cabinet agenda).
- 3.2. These services are business critical to Parking Services as they impact on the legal process within the PCN income recovery cycle. H&F and RBKC sought suppliers that have experience in providing this service.
- 3.3. Both suppliers have been providing this service to H&F and RBKC for over ten years; since 2006 and 2000 respectively. In that time there have been minimal issues with the service and suppliers have adapted their provision to meet our changing needs.
- 3.4. This is a niche market and both suppliers have been "key players" since the outset of these services.
- 3.5. The processes and technology are well established and are currently being used with the new Parking IT system; as such there would be no impact on the current levels of service or development / system integration costs.

4. BACKGROUND

- 4.1. Both Councils have contracted out the printing of statutory documents, scanning of correspondence and processing of payments (by mail) related to Penalty Charge Notices (PCNs) and representations. The following table outlines current arrangements:

| | Scanning and payment processing | Printing of Statutory documents |
|------|--|--|
| RBKC | RR Donnelley (exp Dec 2016) | Liberty Printers (exp Dec 2016) |
| H&F | RR Donnelley (exp Oct 2016) | Liberty Printers (exp Oct 2016) |

- 4.2. These two organisations are leading providers in their respective specialist areas. RBKC and H&F have been using them since 2000 and 2006 respectively.
- 4.3. The current RBKC contract with RR Donnelley was extended in March 2014 to allow the service to continue under the same terms as the existing contract until December 2016, with the addition of an early termination clause. This provided the Council the option to procure a joint contract with H&F as existing contracts expire whilst also giving the flexibility to end the contract at an earlier date (giving three months' notice) if it is in the Council's interest.
- 4.4. The equivalent H&F services are due to expire on 31st October 2016. These services were provided as part of the previous Parking IT contract, however with

the introduction of the new Parking IT system it became apparent that H&F had to put in place temporary direct arrangements with both RR Donnelley and Liberty Printers. These arrangements were approved by Cabinet Member Decision in October 2015.

- 4.5. The current services provided to both Councils are slightly different; however the majority are the same. The Confidential Part B Appendix (contained in the exempt report on the exempt Cabinet agenda) provides greater detail on the services provided and related costs.

5. TENDER PROCESS

- 5.1. The procurement exercise was conducted using the open procedure in accordance with the requirements of the Public Contracts Regulations 2015. A statutory contract notice was placed with the *Official Journal of the European Union* (OJEU) and the UK Government's Contracts Finder portal and the opportunity was advertised on the *capitalEsourcing* Portal.
- 5.2. Whilst there were a reasonable number of expressions of interest, only one bid per Lot was received, both of which came from the current suppliers of the services.
- 5.3. The Procurement Team advised that whilst only one bid was received for each Lot, the procurement exercise met the guidelines and could continue.
- 5.4. The bids were evaluated against the stated intentions of the Specification and all other related documentation in the Invitation to Tender. Tenders were evaluated in two stages; the first requiring the tender to score a minimum of 80% against the specification, after which price would be considered.
- 5.5. The table below outlines the scoring:

| Lot | Bidder | Score (out of 100%) |
|------------|------------------|----------------------------|
| Lot 1 | Liberty Services | 84% |
| Lot 2 | RR Donnelley | 75% |

- 5.6. With regard to Lot 2, the Procurement Team advised that as there was only one bidder we could accept a lower than 80% score. This bidder is our current service provider.

6. OPTIONS AND ANALYSIS

- 6.1. Option 1 (recommended) – Award the Lot 1 contract for statutory printing to Liberty Services, and the Lot 2 contract for scanning of incoming correspondence and payment processing services to RR Donnelley.
- 6.2. Option 2 – Terminate the procurement and perform a re-procurement for these services. This is not recommended and may put both boroughs at risk. H&F's temporary contracts may potentially be extended in the short term; however the incumbent providers may reconsider their current offer in light of our rejection of their recent tender. RBKC will be in a similar position as the waiver of standing orders for both services is short term and expires this year.
- 6.3. Option 3 – Terminate the procurement and perform Council specific re-procurements for these services. The risks would be as above. If this option is pursued, the Councils may not necessarily benefit from any costs savings based on volumes being offered. Technically procurement costs would also be increased as the process would be duplicated.

7. CONSULTATION

- 7.1. The paper has been developed in consultation with:
 - TTS/ELRS Finance
 - Legal Services
 - Procurement
 - Parking IT Programme Board

8. EQUALITY IMPLICATIONS

- 8.1. While there are no direct equality implications for either Council as these services have always been outsourced, Schedule 17 of the contract states that "The Contractor shall comply with all applicable Equalities Legislation in its performance of the Contract and shall take all reasonable steps to ensure that all servants, employees, agents and sub-contractors of the Contractor engaged in the provision of the Services does not unlawfully discriminate, harass or victimise within the meaning and scope of the Equalities Legislation"

9. PROCUREMENT IMPLICATIONS

- 9.1. The procurement has complied with all statutory requirements and the Council's Contracts Standing Orders.
- 9.2. The report notes that for both lots only one bid was received for each. As the qualification threshold for both lots was set at 80% for quality it meant that RR Donnelley's failed to meet that hurdle. As only one bid was received that did not meet the quality threshold it had become an irregular tendering exercise.

Consequently, this enabled the Council to “negotiate” with all those who had responded, in this case one company, to ensure that the single tenderer (RR Donnelley) could perform the contract to the required standards.

9.3. The Interim Head of Procurement agrees with the recommendations contained in this report.

9.4. Alan Parry, Interim Head of Procurement (Job-share) : 020 8753 2581

10. LEGAL IMPLICATIONS

10.1. The recommended decisions are lawful and in compliance with both authorities Contract Standing Orders / Contract Regulations. The legal implications are set out in the report and the Director of Law has no additional comments.

10.2. Andre Jaskowiak, Senior Solicitor, Shared Legal Services, T: 020 7361 2756)

11. FINANCIAL AND RESOURCES IMPLICATIONS

11.1. The current combined spend for scanning and printing services is £214K. This tendering exercise has resulted in savings as follows:

- H&F are estimated to save £34,250 p.a. and £274K over the life of the eight year contract compared to current arrangements.
- RBKC are estimated to save £15,900 p.a. and £127K in total over the life of the eight year contract compared to current arrangements.

11.2. A more detailed analysis of costs, tendered prices and savings for Lot 1 and 2 are set out in the Confidential Part B Appendix (contained in the exempt report on the exempt Cabinet agenda).


11.3. Mark Jones, Director of Finance and Resources, TTS/ELRS Finance, T: 020 8753 6700)

Mahmood Siddiqi
Director for Transportation and Highways

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

Contact officer(s): Matt Caswell, Departmental Project Manager, Environmental Services, London Borough of Hammersmith and Fulham / Royal Borough of Kensington and Chelsea, matt.caswell@lbhf.gov.uk , 020 8753 2708.

Agenda Item 13

| | |
|--|---|
| <p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 SEPTEMBER 2016</p> |  <p>hammersmith & fulham</p> |
| CALL-OFF FROM CCS FRAMEWORK (RM1013) FOR THE PROVISION OF TRANSPORT FUEL | |
| Report of the Cabinet Member for Environment, Transport & Residents Services – Councillor Wesley Harcourt | |
| 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 Director: David Page, Director for Safer Neighbourhoods | |
| Report Author: Alistair Ayres, Head of Emergency Services | Contact Details: Tel: 020 8753 3994 E-mail: alistair.ayres@lbhf.gov.uk |

1. EXECUTIVE SUMMARY

- 1.1. The Council currently buys diesel fuel for fleet and contracted service vehicles from Hall Fuels. The contract was procured in 2014 through an energy procurement framework, hosted by the Laser Energy Buying Group (who act on behalf of a number of authorities and central government departments). The current contract expires on 30/09/2016. As such, a retender exercise has been undertaken, again through Laser Energy Buying Group for a new 24 month fuel supply contract to run from 01/10/16 to 30/09/18. There were three responses to the recent tender invitation.

2. RECOMMENDATIONS

- 2.1. To approve the award of a call-off contract under the CCS Framework Agreement (RM1013) for a 24 month vehicle fuel supply contract, to the most cost effective tenderer, Harvest Energy. The contract will begin on 01/10/2016 and end on 30/09/2018, at a total estimated contract price as stated in the exempt report on the exempt Cabinet agenda.

3. REASONS FOR DECISION

- 3.1. Harvest Energy has proposed the most cost effective price for the supply of fuel, as per the table contained in the exempt report on the exempt Cabinet agenda.

4. PROPOSAL AND ISSUES

- 4.1. Fuel is delivered to fuel tanks in the Bagley's Lane depot, which is then drawn from the fuel pumps on a self-service basis. Fuel ordering and delivery is overseen by the Transport and Depot Manager, and is charged to the Transport budget in the first instance. Fuel is recharged to users (internal Council departments and external contractors), based on fuel usage that is tracked through individual fuel cards.
- 4.2. The tender was advertised through Laser Energy Buying Group, who acts on behalf of a number of authorities and central government departments. The energy procurement frameworks are OJEU compliant, contracted with Kent County Council acting as a Central Purchasing body.
- 4.3. The tender was conducted through an open procedure under OJEU Notice 2013/S 076-127585 on the TED platform.
- 4.4. There are five suppliers under lot 209 Automotive Fuels – supply to London and the South East.:
- Wessex Petroleum Ltd. t/a WP Group
 - World Fuel Services Europe
 - Hall Fuels a Division of Watson Petroleum Ltd
 - Harvest Energy
 - Certas Energy
- 4.5. Three of the above responded to the invitation
- Hall Fuels a Division of Watson Petroleum Ltd
 - Harvest Energy
 - Certas Energy
- 4.6. Harvest Energy submitted the cheapest estimated unit price per litre, as stated in the exempt report on the exempt Cabinet agenda (this is an estimate only as the actual price charged will vary in line with the Platts Index – see 4.8). All Prices are detailed in the exempt report on the exempt Cabinet agenda.
- 4.7. The actual price paid per litre for delivered fuel under this framework is made up of:
- Commodity price of the fuel

- Duty
- Supplier margin
- Management charge

- 4.8. Under this framework the commodity element of the price of the fuel purchased is calculated by reference to the Platts Index which can change on a daily basis. The preferred option is for a weekly lagged price. Where the Council is charged an average of the daily prices in the week preceding the week of delivery.
- 4.9. A savings methodology has been approved to assess the savings made by customers having access to this flexible pricing rather than having a fixed price for the commodity element of the price. In the last year of the previous Liquid Fuels framework savings were assessed at 3.5% of total spend across the framework.
- 4.10. Because the price of fuel can fluctuate each week, the prices quoted are the best estimated prices at the time of tender. However, through using the framework agreement the Council receives a reduced price, which would not be offered should we tender as an individual outside of the framework agreement.
- 4.11. The above price fluctuations exist under the current contract. For example the quoted tender price for the current contract was 106.64 ppl but the actual average cost paid for 2015/16 was 0.91 ppl. As such, actual future savings under this variable contract cannot be predicted with any certainty.
- 4.12. Fuel will be delivered as required when requested by the Transport and Depot Manager who monitors fuel levels and usage on a daily basis. Currently we order approximately 36,000 litres of fuel for each delivery. This would remain under the new contract.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. This procurement is based 100% on cost and therefore Harvest Energy is the preferred option.

6. CONSULTATION

- 6.1. Consultation is not necessary for this procurement.

7. EQUALITY IMPLICATIONS

- 7.1. There are no equality implications for this procurement.

8. LEGAL IMPLICATIONS

- 8.1. The Council is not specifically named in the OJEU notice as a contracting authority that is able to access the framework, however there is a link to a list of local authorities in which the Council is named. Therefore any risk of

challenge in this respect is considered low. It is understood that the mini-competition has been carried out in compliance with Regulation 33 (8) (c) of the Public Contracts Regulations 2015. Legal Services will work with officers to arrange for the execution of the Call-Off contract and the Order Form.

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

9. FINANCIAL IMPLICATIONS

- 9.1. As set out in this report, the majority of any savings will not be retained by the Council but will be passed on to external customers instead. It should also be noted that the actual cost to the Council will be variable, according to the real time commodity element of the unit price (based on the Platts Index). As such, any future savings cannot be predicted with any accuracy and so cannot currently be relied upon to deliver ongoing budget reductions. Spend levels will continue to be monitored and reported as part of the Council's monthly monitoring cycle.
- 9.2. Implications completed by Kellie Gooch – Head of Finance Environmental Services, telephone 020 8753 2203.

10. IMPLICATIONS FOR BUSINESS

- 10.1. There are no implications for local businesses in the borough. There are no suppliers within LBHF who can provide this service.

11. RISK IMPLICATIONS

- 11.1. Savings achieved from the re-procurement contribute positively to the management of budget risk, risk number 1 on the Council's Shared Services risk register. Continuity measures are also noted on the risk register, risk number 6.
- 11.2. Implications completed by Mike Sloniowski - Shared Services Risk Manager, telephone 020 8753 2587.

12. PROCUREMENT AND COMMERCIAL IMPLICATIONS

- 12.1. The Interim Head of Procurement supports the report's recommendations.
- 12.2. Maintaining and securing vehicle fuel supply is business critical to several front-line services; as is also obtaining the best possible commercial deal to the Council's future financial position given the price sensitivity of the commodity.
- 12.3. A fair and transparent competition was run in accordance with the Public Contracts Regulations 2015 via an OJEU compliant framework managed by Kent County Council, use of which provides discounted prices. Five organisations were invited to tender, of which three returned bids. The new

contract is likely to see an increase in unit cost price over its duration, reflecting the recovery in the oil price. However, based on a continuation of current consumption, and on the tendered prices at the time of reporting, the price submitted by Harvest Energy, which is recommended for award, would cost an estimated £550,000 less over the contract period than the second-best price submitted. Should the commodity price rise above budget the Council should consider reviewing demand management.

- 12.4. Comments provided by John Francis, Interim Head of Procurement (job-share), telephone 020 8753 2582.

13. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None

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 5 SEPTEMBER 2016 AND AT FUTURE CABINET MEETINGS UNTIL APRIL 2017

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. 46 (published 5 AUGUST 2016)

KEY DECISIONS LIST - CABINET ON 5 SEPTEMBER 2016

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> |
|---|--|---|--|---|
| 5 September 2016 | | | | |
| Cabinet Full Council | 5 Sep 2016 19 Oct 2016 | Treasury Outturn Report 2015/16 This report presents the Council's Outturn Treasury Report for 2015/16 in accordance with the Council's treasury management practices. | 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: Affects 2 or more wards | | Ward(s): All Wards | |
| | | Contact officer: Halfield Jackman Halfield.Jackman@lbhf.gov.uk | | |
| Cabinet | 5 Sep 2016 | ICT Transition phase 4 - Authority to execute ICT contract novations to the council and new service providers ICT Transition phase 4 - the Council needs the authority to execute ICT contract novations to the Council and new service providers at the end of the H&F Bridge Partnership service management contract. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act | Cabinet Member for 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: Affects 2 or more wards | | Ward(s): All Wards | |
| | | Contact officer: Jackie Hudson Tel: 020 8753 2946 Jackie.Hudson@lbhf.gov.uk | | |

| Decision to be Made by (Cabinet or Council) | Date of Decision-Making Meeting and Reason | Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private. | Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents | Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>) |
|---|--|---|---|---|
| | | 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 | 5 Sep 2016 Reason: Expenditure more than £100,000 | 2016/17 Corporate Revenue Monitor for Month 2 First corporate revenue budget monitor for 2016/17 for the period ending 31st May 2016. | Cabinet Member for Finance Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 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. |
| Cabinet | 5 Sep 2016 Reason: Expenditure more than £100,000 | 2015/16 Corporate Revenue Outturn Report Final revenue outturn report for the year ending 31st March 2016. | Cabinet Member for Finance Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 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. |
| Cabinet | 5 Sep 2016 Reason: Expenditure more than £100,000 | Capital Programme Monitor & Budget Variations, 2015/16 (Outturn) This report provides a summary of the Council's Capital Programme out-turn for the financial year 2015-16. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act | Cabinet Member for Finance Ward(s): All Wards Contact officer: Christopher Harris, Ariana Murdock Tel: 020 8753 6440, Harris.Christopher@lbhf.gov.uk, Ariana.Murdock@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) |
|---|--|---|--|---|
| | | 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 | 5 Sep 2016 Reason: Expenditure more than £100,000 | <p>Learning Disability Procurement Strategy for Flexible Support</p> <p>This report sets out the procurement strategy for a range of care and support services for people with learning disabilities (LD). The aim is to improve outcomes, promote choice and control through personalised approaches and ensure compliance with the Care Act 2014.</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: Christine Baker Tel: 020 8753 1447 Christine.Baker@lbhf.gov.uk</p> | A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. |
| Cabinet | 5 Sep 2016 Reason: Affects 2 or more wards | <p>Hammersmith & Fulham Arts Strategy 2015 - 2022</p> <p>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</p> | <p>Cabinet Member for Economic Development and Regeneration</p> <p>Ward(s): All Wards</p> <p>Contact officer: Donna Pentelow Tel: 020 8753 2358 donna.pentelow@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) |
|---|--|--|--|---|
| | | diversionary activities for troubled teenagers. We also summarise our progress to date and set out our suggested actions and priorities for the future. | | |
| Cabinet | 5 Sep 2016 Reason: Expenditure more than £100,000 | <p>Method for sharing WRWA costs 2017-18 to 2025-26</p> <p>Under the current arrangements with Western Riverside Waste Authority (WRWA) each borough delivers its waste to WRWA and is charged per tonne for the disposal of that waste.</p> <p>This method of charging is one that the four boroughs entered into voluntarily and that agreement comes to an end in March 2017.</p> <p>If that agreement is not renewed then there is a statutory method that will apply by default (see Annexe B). This is that the cost of waste disposal in a particular year will be charged to boroughs in proportion to the tonnages delivered to the Waste Authority in the previous complete year.</p> | <p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Kathy May Tel: 020 7341 5616 kathy.may@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 | 5 Sep 2016 Reason: Expenditure more than £100,000 | <p>Contract Award for bulk printing, scanning and payment processing services for Parking Services</p> <p>Award of contracts following an OJEU 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</p> | <p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Matt Caswell Tel: 020 8753 2708 Matt.Caswell@lbhf.gov.uk</p> | A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. |

| Decision to be Made by (Cabinet or Council) | Date of Decision-Making Meeting and Reason | Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private. | Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents | Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>) |
|---|---|--|--|---|
| | | disclosing the information. | | |
| Cabinet | 5 Sep 2016 Reason: Expenditure more than £100,000 | Call-Off From CCS Framework (RM1013) For The Provision Of Transport Fuel Procurement of diesel fuel for council and contracted fleet vehicles. | Cabinet Member for Environment, Transport & Residents Services Ward(s): All Wards Contact officer: Alistair Ayres alistair.ayres@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. |
| 10 October 2016 | | | | |
| Cabinet | 10 Oct 2016 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 maintaining the exemption outweighs the public interest in disclosing the information. | Cabinet Member for Finance, Cabinet Member for Social Inclusion 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. |
| Cabinet | 10 Oct 2016 Reason: Income more than £100,000 | Lilla Huset Lilla Huset is currently occupied by Libraries and Children's Services. The existing lease expires in June 2016. This report will consider and recommend whether the Council should renew its lease. PART OPEN PART PRIVATE | Cabinet Member for Finance Ward(s): Hammersmith Broadway Contact officer: Nigel Brown, Lzhar Haq Tel: 020 8753 2835, Tel: 020 8753 2692 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. |

| 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) |
|---|---|--|--|---|
| | | 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. | izhar.haq@lbhf.gov.uk | considered. |
| Cabinet | 10 Oct 2016 Reason: B Expenditure more than £100,000 | 2016/17 Corporate Revenue Monitor for Month 3 2016/17 Corporate Revenue Monitor for Month 3 | Cabinet Member for Finance Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 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. |
| Cabinet | 10 Oct 2016 Reason: Expenditure more than £100,000 | ICT Transition - assuring service continuity phase 2 ICT Transition - assuring service continuity phase 2. 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 Tel: 020 8753 2946 Jackie.Hudson@lbhf.gov.uk | A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. |

| 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 | 10 Oct 2016 | Annual S106 and CIL Drawdown Report The annual report seeking authority for the drawdown of S106 and CIL funded projects | 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 | 10 Oct 2016 | Insurance tender 2017 for property, terrorism, liabilities and sundry covers Gateway 1 - Pre-tender strategy report and request to proceed with tender | 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 | 10 Oct 2016 | Disabled children's resource centre & SEN unit To establish a borough-wide resource centre for Children with Disability and re-build an existing SEN unit. 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 Children and Education | A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. |
| | Reason: Affects 2 or more wards | | Ward(s): All Wards | |

| 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 | 10 Oct 2016 | Commissioning Strategy for Translation and Interpreting Service for LBHF Strategy paper for the commissioning and procurement of Translation and Interpreting Service for LBHF | Cabinet Member for Children and Education | A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. |
| | Reason: Expenditure more than £100,000 | | Ward(s): All Wards | |
| Cabinet | 10 Oct 2016 | Commissioning & Procurement Strategy for Passenger Transport Services contracts This report seeks approval for the commencement of a procurement process to appoint contractors for the passenger transport services beginning in 2017. | Cabinet Member for Children and Education | A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. |
| | Reason: Expenditure more than £100,000 | | Ward(s): All Wards | |
| Cabinet | 10 Oct 2016 | Recommissioning of the Community Independence Service Setting out the results of an NHS led recommissioning of Community Independence Service across Hammersmith & Fulham, Kensington and Chelsea and Westminster. The decision will request approval for associated funding mechanisms to give effect to decisions which best serve vulnerable residents. | 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 | 10 Oct 2016 | Carers Procurement Strategy Re-Tender of Carers Services within the London Borough of Hammersmith and Fulham PART OPEN PART PRIVATE Part of this report is exempt from | 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 |
| | Reason: Expenditure more than £100,000 | | Ward(s): All Wards | |

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| | | 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. | | background papers to be considered. |
| Cabinet | 10 Oct 2016 Reason: Affects 2 or more wards | West London Alliance Dynamic Purchasing System : Access Agreement Decision Ealing Council on behalf of the West London Alliance (WLA) group of authorities has established a Dynamic Purchasing System (DPS) for the spot purchasing of Care Home and Supported Living Placements. Hammersmith and Fulham Council as a WLA authority has the opportunity to participate in the WLA DPS and this report recommends that Cabinet agrees to enter into an Access Agreement with Ealing Council to allow it to make use of the WLA DPS arrangement. | Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Jonathan Lillistone Tel: 020 8753 3446 jonathan.lillistone@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 | 10 Oct 2016 Reason: Affects 2 or more wards | LBHF Older People's Housing Strategy Report setting out framework and direction of travel for older people's housing. | Cabinet Member for Housing Ward(s): All Wards Contact officer: Helen McDonough Tel: 020 8753 4592 Helen.Mcdonough@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 | 10 Oct 2016 Reason: Affects 2 or | Economic Development and Growth Strategy Economic Development and Growth Strategy | Cabinet Member for Economic Development and Regeneration 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 |

| 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>) |
|---|---|---|---|---|
| | more wards | | Contact officer: Sally Agass, Beth Morgan Tel: 020 8753 4982, Tel: 020 8753 3102 Sally.Agass@lbhf.gov.uk, beth.morgan@lbhf.gov.uk | will include details of any supporting documentation and / or background papers to be considered. |
| Cabinet | 10 Oct 2016 Reason: Expenditure more than £100,000 | Award of Tree Maintenance Contract Award of term contract for the maintenance of the council's trees along streets, in parks and housing estates and open spaces. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. | Cabinet Member for Environment, Transport & Residents Services Ward(s): All Wards Contact officer: Ian Hawthorn, Gavin Simmons Tel: 020 8753 3058, ian.hawthorn@lbhf.gov.uk, gavin.simmons@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 | 10 Oct 2016 Reason: Affects 2 or more wards | Emission Linked Parking Permits A report reviewing the current parking permit structure and recommending options to change the residents parking permit structure to a sliding scale of charges based on emissions produced by the vehicle. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) | Cabinet Member for Environment, Transport & Residents Services Ward(s): All Wards Contact officer: Edward Stubbing Tel: 020 8753 4651 Edward.Stubbing@lbhf.gov.uk | A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. |

| Decision to be Made by (Cabinet or Council) | Date of Decision-Making Meeting and Reason | Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private. | Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents | Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>) |
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| | | under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. | | |
| 7 November 2016 | | | | |
| Cabinet | 7 Nov 2016 Reason: Income more than £100,000 | Contract Award for a shared service Enforcement Agent (Bailiff) Services for the recovery of Penalty Charge Notice (PCN) debts The report seeks permission to award contracts to the most economically advantageous tenders following an OJEU procurement exercise carried out by the shared Parking Service. | Cabinet Member for Environment, Transport & Residents Services Ward(s): All Wards Contact officer: Mai Kebbay Tel: 0208 753 3275/4262 Mai.Kebbay@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 Nov 2016 Reason: Expenditure more than £100,000 | Award report from Genito-Urinary Medicine The report recommends award to the winning tenderer following procurement process. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. | Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Gaynor Driscoll, Nicola Lockwood, Helen Byrne Tel: 0207 361 2418, Tel: 020 8753 5359, gaynor.driscoll@rbkc.gov.uk, Nicola.Lockwood@lbhf.gov.uk, Helen.Byrne@lbhf.gov.uk | A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. |

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|---|--|--|--|---|
| Cabinet | 7 Nov 2016 | 2016/17 Corporate Revenue Monitor for Month 4 2016/17 Corporate Revenue Monitor for Month 4 | 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 | 7 Nov 2016 | Extra Care Procurement & Commissioning Strategy Approval sought for the procurement strategy to procure a care and support provider for a new Extra Care facility and to modify existing two existing contracts. 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 | |
| Cabinet | 7 Nov 2016 | H&F Social Lettings Agency Report The council has initiated a project to look at the feasibility of establishing a Social Lettings Agency in the Borough and to produce a recommended model. Through the agency, the Council could aim to compete with private letting agencies in the private rented sector through provision of | 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 | |

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|---|---|--|--|--|
| | | <p>tenant sourcing and letting services at competitive fees.</p> <p>The agency would also supplement the Council's mainstream operations by providing access to other sources of accommodation in the private rented sector for the purposes of homelessness prevention and to those requiring temporary accommodation.</p> | | |
| Cabinet | <p>7 Nov 2016</p> <hr/> <p>Reason: Expenditure more than £100,000</p> | <p>Strategy Report for Procurement of Professional Services Framework</p> <p>This report is a strategy report for the procurement of professional (Multi-disciplinary) services framework.</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> | <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 Nov 2016</p> <hr/> <p>Reason: Expenditure more than £100,000</p> | <p>Economical Development Plan</p> <p>To inform members of progress against economic growth objectives and to request authority for spend of allocated Section 106 monies.</p> | <p>Cabinet Member for Economic Development and Regeneration</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Penny Davis-Heinz Tel: 020 8753 2596 Penny.Davis-Heinz@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 Nov 2016</p> <hr/> <p>Reason: Expenditure more than £100,000</p> | <p>TfL funded integrated transport investment programme 2017/18</p> <p>This report refines and details the council's integrated transport investment programme which forms part of the council's 2011 – 2031 Transport Plan (Local Implementation Plan 2 or LIP2) to be delivered in 2017/18 and funded entirely by Transport for London (TfL). This report seeks the approval of the submission of</p> | <p>Cabinet Member for Environment, Transport & Residents Services</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Nick Boyle Tel: 020 8753 3069 nick.boyle@lbhf.gov.uk</p> | <p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p> |

| Decision to be Made by (Cabinet or Council) | Date of Decision-Making Meeting and Reason | Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private. | Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents | Documents to be submitted to Cabinet (other relevant documents may be submitted) |
|---|--|---|---|---|
| | | 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 programme to the Cabinet Member for Environment, Transport and Residents Services. | | |
| Cabinet | 7 Nov 2016 Reason: Income more than £100,000 | <p>Pryors Bank Grant of a further lease to the London Diocesan Fund</p> <p>Grant of a further lease to the London Diocesan Fund in respect of premises at "Pryors Bank" in Bishop's Park, SW6 3LA</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p> | <p>Cabinet Member for Finance</p> <p>Ward(s): Palace Riverside</p> <p>Contact officer: Nigel Brown, Breda Kiely Tel: 020 8753 2835, Tel: 020 8753 2801 Nigel.Brown@lbhf.gov.uk, Breda.Kiely@lbhf.gov.uk</p> | A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. |
| Cabinet | 7 Nov 2016 Reason: Expenditure more than £100,000 | <p>Confirm On Demand Business Case</p> <p>Moving Confirm From HFBP Hosting to a Hosted Solution by the software vendors Pitney Bowes (PB)</p> | <p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): Hammersmith Broadway</p> <p>Contact officer: Eustace Dunkwu Tel: 020 8753 3010 Eustace.Dunkwu@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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| 5 December 2016 | | | | |
| Cabinet | 5 Dec 2016 Reason: Expenditure more than £100,000 | 2016/17 Corporate Revenue Monitor for Month 5 2016/17 Corporate Revenue Monitor for Month 5 | Cabinet Member for Finance Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 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. |
| Cabinet | 5 Dec 2016 Reason: Expenditure more than £100,000 | Phase 1 Children's Centres and Youth Services Re-commissioning of Children Centres and Youth Services. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 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 Children and Education Ward(s): All Wards Contact officer: William Parsons email: wparsons@westminster.gov.uk, Tel: 0207 641 2526 Sarah Thomas: Sarah.Thomas@rbkc.gov.uk | A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. |
| Cabinet | 5 Dec 2016 Reason: Expenditure more than £100,000 | Single Homeless Supported Housing Commissioning Strategy Commissioning Strategy for seven supported housing contracts for rough sleepers single homeless people with support needs. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the | Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Julia Copeland Tel: 0208 753 1203 julia.copeland@lbhf.gov.uk | A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. |

| Decision to be Made by (Cabinet or Council) | Date of Decision-Making Meeting and Reason | Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private. | Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents | Documents to be submitted to Cabinet (other relevant documents may be submitted) |
|---|--|---|--|---|
| | | financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. | | |
| 16 January 2017 | | | | |
| Cabinet | 16 Jan 2017 | 2016/17 Corporate Revenue Monitor for Month 6 2016/17 Corporate Revenue Monitor for Month 6 | 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 | 16 Jan 2017 | Contract Award Decision to appoint the construction contractor for the redevelopment of the Bridge Academy site for the provision of a range of young people services, as described in the report Following a procurement exercise over the summer 2016 this decision will be to award the contract to the successful contractor 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 | Cabinet Member for Children and Education | A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. |
| | Reason: Expenditure more than £100,000 | | Ward(s): Palace Riverside | |

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|---|--|---|--|---|
| | | of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. | | |
| 6 February 2017 | | | | |
| Cabinet | 6 Feb 2017 | 2016/17 Corporate Revenue Monitor for Month 7 | 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 | 2016/17 Corporate Revenue Monitor for Month 7 | Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk | |
| 6 March 2017 | | | | |
| Cabinet | 6 Mar 2017 | 2016/17 Corporate Revenue Monitor for Month 8 | 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 | 2016/17 Corporate Revenue Monitor for Month 8 | Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk | |
| 4 April 2017 | | | | |
| Cabinet | 3 Apr 2017 | 2016/17 Corporate Revenue Monitor for Month 9 | 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 | 2016/17 Corporate Revenue Monitor for Month 9 | Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk | |