

Cabinet

Agenda

MONDAY
7 NOVEMBER 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
28 October 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 20) 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 should not be held in private.

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

DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on non-exempt item numbers **4-12** on this agenda using the Council's Deputation Request Form. The completed Form, to be sent to 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 2 November 2016.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 9 November 2016**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Monday 14 November 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 14 November 2016**.

Cabinet Agenda

7 November 2016

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1.	MINUTES OF THE CABINET MEETING HELD ON 10 OCTOBER 2016	1 - 6
2.	APOLOGIES FOR ABSENCE	
3.	DECLARATION OF INTERESTS	
	<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.</p>	
4.	CORPORATE REVENUE MONITOR 2016/17 MONTH 4 - 31 JULY 2016	7 - 50
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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.

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|------------|--|--|
| 16. | EXEMPT MINUTES OF THE CABINET MEETING HELD ON 10 OCTOBER 2016 (E) | |
| 17. | COMMUNITY ASSET PROPOSAL : EXEMPT ASPECTS (E) | |
| 18. | APPROVAL TO DIRECTLY AWARD THE ELM GROVE EXTRA CARE CONTRACT : EXEMPT ASPECTS (E) | |
| 19. | CREATION OF H&F SOCIAL LETTINGS AGENCY : EXEMPT ASPECTS (E) | |
| 20. | TRAVEL CARE AND SUPPORT SERVICES : EXEMPT ASPECTS (E) | |

London Borough of Hammersmith & Fulham

Cabinet Minutes



Monday 10 October 2016

PRESENT

Councillor Ben Coleman, Cabinet Member for Commercial Revenue and Resident Satisfaction

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

56. MINUTES OF THE CABINET MEETING HELD ON 5 SEPTEMBER 2016

RESOLVED:

That the minutes of the meeting of the Cabinet held on 5 September 2016 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

57. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Michael Cartwright.

58. DECLARATION OF INTERESTS

There were no declarations of interest.

59. CORPORATE REVENUE MONITOR 2016/17 MONTH 3 - 30 JUNE 2016

RESOLVED:

1. To note the General Fund and HRA month 3 forecast revenue outturn variances.

2. All overspending departments to agree proposals/action plans for bringing spend in line with budget.
3. To approve the budget virements in appendix 11.

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.

60. CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2016/17 (FIRST QUARTER)

RESOLVED:

To approve proposed technical budget variations to the capital programme totalling £5.2m (summarised in Table 1 and detailed in Appendix 2 of the report).

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.

61. INSURANCE TENDER 2017 FOR PROPERTY, TERRORISM, LIABILITIES AND SUNDRY COVERS

RESOLVED:

1. For LB Hammersmith and Fulham to approve the proposed strategy, commencement of the formal tender process, intended compliance with the Public Contract Regulations 2015 and the need to seek suitable authority on a sovereign Council basis to award the contract after evaluation.

2. For City of Westminster to approve the proposed strategy, commencement of the formal tender process, intended compliance with the Public Contract Regulations 2015 and the need to seek suitable authority on a sovereign Council basis to award the contract after evaluation.
3. For RB Kensington and Chelsea to approve the proposed strategy, commencement of the formal tender process, intended compliance with the Public Contract Regulations 2015 and the need to seek suitable authority on a sovereign Council basis to award the contract after evaluation.

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.

62. 2016/17 SECTION 106 EXPENDITURE

RESOLVED:

That officers be authorised to spend £4.7m of Section 106 monies for the purpose of addressing the impact of development.

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.

63. INTEGRATED FAMILY SUPPORT SERVICE BUSINESS CASE

RESOLVED:

1. To approve the progression of work for the implementation of the proposed IFSS as described in this paper;

2. To agree the combined budget for the IFSS as set out in section 9.1 in the exempt report to deliver the IFSS;
3. To explore the creation of an innovative special purpose vehicle (SPV), in partnership with the sector and other funding bodies, to protect and lever further alternative investment into universal and early intervention services and support partnership working in the sector;
4. To approve the Smarter Budgeting investment (as set out in section 9.2 in the exempt report) subject to a full business case and to agree an initial start-up investment (as set out in section 9.2 in the exempt report). The investment requirement will need to be funded from the Efficiency Projects Reserve.

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.

64. CARERS PROCUREMENT STRATEGY REPORT

RESOLVED:

That the strategic approach for the procurement of a carers support service within Hammersmith and Fulham through an OJEU (Official Journal of the European Union) open competitive tender process, 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.

65. WEST LONDON ALLIANCE DYNAMIC PURCHASING SYSTEM : ACCESS AGREEMENT DECISION

RESOLVED:

1. To note the contents of this report and the current and future challenges associated with the residential care and nursing home market in London.
2. To note the opportunities associated with adopting the Dynamic Purchasing System approach to the spot purchasing of care home placements. Namely that it:
 - Can provide a more streamlined and transparent approach to the spot purchasing of care home and supported living placements
 - Supports user and family choice; and
 - Supports the Council to deliver its duties under the Care Act 2014 to manage the market for social care services.
3. To agree to enter into an Access Agreement with Ealing Council which is necessary to enable the Council to make use of the West London Alliance Dynamic Purchasing System for Care Home and Supported Living Placements.

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.

66. FORWARD PLAN OF KEY DECISIONS

The Key Decision List was noted.

67. 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.]

68. **EXEMPT MINUTES OF THE CABINET MEETING HELD ON 5 SEPTEMBER 2016 (E)**

RESOLVED:

That the minutes of the meeting of the Cabinet held on 5 September 2016 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

69. **INTEGRATED FAMILY SUPPORT SERVICE BUSINESS CASE : EXEMPT ITEMS (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.

Meeting started: 7.00 pm

Meeting ended: 7.06 pm

Chair

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>7 NOVEMBER 2016</p>	
<p>CORPORATE REVENUE MONITOR 2016/17 MONTH 4 – 31st JULY 2016</p>	
<p>Report of the Cabinet Member for Finance – Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For decision and for information</p>	
<p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Hitesh Jolapara – Strategic Finance Director</p>	
<p>Report Author: Jade Cheung – Finance Manager</p>	<p>Contact Details: Tel: 020 8753 3374 Jade.Cheung@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The General Fund 2016/17 forecast outturn variance at month 4 is a gross overspend of **£4.585m**. Management action is being directed to reduce this adverse figure. In 2015/16, General Fund forecast outturn variance at month 4 was an overspend of £5.723m; with the final outturn variance an underspend £5.178m.
- 1.2. The potential value of mitigating actions is **£1.111m, if fully delivered**, which will result in a net overspend of **£3.474m**. Delivery of action plans is assigned to relevant responsible Directors, which seek to address the total General Fund forecast overspend (2.6% revised budget) as set out in section 4.4.
- 1.3. The forecast overspend outturn variances reported by five departments in overspend value order are: (1) Adult Social Care primarily due to home care, direct payments and Better Care savings reasons; (2) Environmental Services; (3) Children’s Services mainly due to commissioning and support services functions; (4) Centrally Managed Budgets; and (5) Housing General Fund.
- 1.4. The Housing Revenue Account outturn variance for 2016/17 is a surplus of **£0.270m** (compared with a deficit position at month 3 of £0.134m). HRA general

reserves of **£1.061m** remain forecast to be carried forward into 2017/18, with a HRA credit balance of **£19.851m** at year-end.

2. RECOMMENDATIONS

- 2.1. To note the General Fund and Housing Revenue Account month 4 forecast revenue outturn variances.
- 2.2. To note the action plans amounting to **£1.111m**, seeking to address the General Fund overspend forecast variance of **£4.585m**. All overspending departments to respond with further actions to reduce the net forecast overspend of **£3.474m**.
- 2.3. To note that the Councils' Efficiency Plan was submitted in accordance with the Department of Communities and Local Governments deadline.

3. REASONS FOR DECISION

- 3.1. The reasons for the recommendations are to report the revenue expenditure position for the Council and to comply with the Financial Regulations.

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

- 4.1. There are five departments forecast to overspend by 31st March 2017 which contributes to the gross overspend outturn variance of **£4.585m** (table 1 and appendices 1 to 9).
- 4.2. The forecast overspend outturn variances reported by departments in overspend value order are: (1) Adult Social Care primarily due to home care, direct payments and Better Care savings reasons; (2) Environmental Services; (3) Children's Services mainly due to commissioning and support services functions; (4) Centrally Managed Budgets; and (5) Housing General Fund.
- 4.3. The overspend outturn variance for Centrally Managed Budgets of **£0.228m** excludes any unspent contingency funds. Currently **£0.900m** of contingency balances are uncommitted.

Table 1: 2016/17 General Fund Gross Forecast Outturn Variance – Month 4

Department ¹	Revised Budget Month 4 £m	Forecast Outturn Variance Month 4 £m	Forecast Outturn Variance Month 3 £m	Variance Between Months 3 and 4 £m	Month 4 Forecast Variance %
Adult Social Care	57.973	2.480 ²	2.609	(0.129)	1.4%
Children's Services	47.581	0.832	1.935	(1.103)	0.5%
Controlled Parking Account	(22.406)	(0.060)	(0.171)	0.111	0%
Corporate Services	16.754	0	0	0	0%
Environmental Services	44.832	1.023	0.596	0.427	0.6%
Housing General Fund	8.143	0.082	0.304	(0.222)	0%
Library & Archives Service	3.175	0	0	0	0%
Public Health Services	0	0	0	0	0%
Centrally Managed Budgets	21.540	0.228	0.028	0.200	0.1%
Total	177.592	4.585	5.301	(0.716)	2.6%

- 4.4. Action plans to mitigate the forecast overspends are summarised in table 2 and detailed below. The potential value of mitigating actions is **£1.111m**, if fully delivered, which will result in a net overspend of **£3.474m**. All overspending departments to respond with further actions to reduce the net forecast overspend of **£3.474m** to nil. Delivery of action plans is assigned to relevant responsible Directors below.

Table 2: Summary of Net Forecast Outturn Variances After Action Plans

Department	Gross Forecast Outturn Variance Month 4 £m	Potential Value of Action Plan Mitigations Month 4 £m	Forecast Outturn Variance Net of Planned Mitigations £m	Appendix Number reference for action plans
Adult Social Care	2.480	0	2.480	1
Children's Services	0.832	0.360	0.472	2
Controlled Parking Account	(0.060)		(0.060)	
Environmental Services	1.023	0.441	0.582	5
Housing General Fund	0.082	0.082	0	6
Centrally Managed Budgets	0.228	0.228	0	9
Total	4.585	1.111	3.474	
%	100%	24%	76%	

¹ Figures in brackets represent underspends

² This figure assumes ASC earmarked departmental reserve drawdown

5. CORPORATE REVENUE MONITOR 2016/17 MONTH 4 HOUSING REVENUE ACCOUNT

- 5.1. The Housing Revenue Account currently forecasts a surplus outturn variance of **£0.270m** for 2016/17 compared with a deficit outturn variance of £0.134m in month 3 (appendix 10).

Table 3: Housing Revenue Account Projected Outturn - Month 4

Housing Revenue Account	£m
Balance as at 31 March 2016	(18.520)
Add: Budgeted (Contribution) / Appropriation to Balances	(1.061)
Add: Forecast Surplus Outturn Variance	(0.270)
Projected Balance as at 31st March 2017	(19.851)

6. MEDIUM TERM FINANCIAL STRATEGY - EFFICIENCY SAVINGS

- 6.1. The 2016/17 General Fund budget included an efficiency savings target now revised to **£15.866m**. Progress against these is summarised in table 4 (and in appendices 1 to 10). The 2016/17 Housing Revenue Account efficiency savings target is **£0.922m**.

Table 4: 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	2.862	0.205	2.254
Children's Services	3.227	2.941	0	0.286
Corporate Services	3.175	3.175	0	0
Environmental Services	2.668	1.272	1.023	0.373
Housing General Fund	0.405	0.265	0	0.140
Libraries and Archives	0.020	0	0.020	0
Centrally Managed Budgets (Council-wide)	1.050	1.050	0	0
General Fund Total	15.866	11.565	1.248	3.053
GF %	100%	73%	8%	19%
Housing Revenue Account Total	0.922	0.922	0	0
HRA %	100%	100%		

7. H&F EFFICIENCY PLAN

- 7.1. The provisional Local Government Finance Settlement announced on 17th December 2015 stated that the Government will offer any council that wishes to take it up a four-year funding settlement to 2019-20. A letter from the Secretary of State for Communities and Local Government dated 10th March 2016 set out the requirement that authorities wishing to take up the offer should send a link to their published Efficiency Plan by 14th October 2016. There is no specific guidance as to what the Plans should contain but that "they should be locally owned and

locally driven” (Refer to appendix 11). The Plan has been submitted in accordance with the deadline set.

8. VIREMENTS & WRITE OFF REQUESTS

- 8.1. Cabinet is required to approve all budget virements that exceed £0.1m. No new budget virements have been requested for month 4.
- 8.2. No write-off requests for month 4.

9. CONSULTATION

- 9.1. N/A.

10. EQUALITY IMPLICATIONS

- 10.1. 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.

11. LEGAL IMPLICATIONS

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

12. FINANCIAL AND RESOURCES IMPLICATIONS

- 12.1. This report is financial in nature and those implications are contained within. The ongoing implementation of Managed Services and Agresso have financial implications which are being reviewed and may impact on the accuracy of the figures in this report.
- 12.2. Implications completed by: Jade Cheung, Finance Manager, 0208 753 3374.

13. IMPLICATIONS FOR BUSINESS

- 13.1. There are no implications for local businesses.

14. RISK MANAGEMENT

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

15. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 15.1. There are no implications for this report.

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

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

LIST OF APPENDICES

Appendix number	Title
Appendix 1	Adult Social Care Revenue Monitor
Appendix 2	Children's Services Revenue Monitor
Appendix 3	Controlled Parking Account Revenue Monitor
Appendix 4	Corporate Services Revenue Monitor
Appendix 5	Environmental Services Revenue Monitor
Appendix 6	Housing General Fund Revenue Monitor
Appendix 7	Library & Archives Service Revenue Monitor
Appendix 8	Public Health Services Revenue Monitor
Appendix 9	Centrally Managed Budgets Revenue Monitor
Appendix 10	Housing Revenue Account Revenue Monitor
Appendix 11	H&F Efficiency Plan

APPENDIX 1: ADULT SOCIAL CARE
BUDGET REVENUE MONITORING REPORT – MONTH 4

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
Integrated Care	43,999	4,425	4,623	<p>1. A gross projected overspend of £3,364,000 on 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 £1,900,000. The department is proposing a transfer of £400,000 from ASC reserves to partly offset the pressure out of a total transfer of £800,000 as a number of customers remain to be transferred onto the new contract. The financial modelling of the effects of the new contract will also include mitigations estimated at (£1,100,000) such as negotiating a contribution from the Clinical Commissioning Group (CCG) and potential savings from new ways of working which are not factored into the projections at this 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 £400,000 was received in 2015/16 and a further contribution from Health towards the additional Home care</p>

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
				<p>costs in 2016/17 have been agreed at the CCG Board. At this stage of the process the department has assumed a Better Care Fund contribution from Health of £1,187,000 to offset these pressures.</p> <p>Another reason for the projected overspend in home care is the financial impact of the full year effect of customers from 2015/16.</p> <p>2. Better Care Funding Shortfall £393,000 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:</p> <ul style="list-style-type: none"> • Reductions in residential and nursing placements is moving in the right direction with reduction in volumes of placements and supported living with savings of (£1,424,000) factored in. • A number of contracts have been renegotiated relating to Elgin and Olive House homes with savings of (£183,000). This leaves a net shortfall of £393,000 from the £2m target efficiency. <p>3. A net projected underspend in Learning Disability services of (£350,000)</p>

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
				<p>There is an improvement in the underspend of (£143,000) compared to period three underspend of (£207,000) due a review and reduction of costs of care in LD packages and placements.</p> <p>Within LD service there continues to be demand pressures within the Day care service of £170,000 and this is proposed to be funded from ASC reserves.</p> <p>4. Mental Health Service Overspend of £323,000 The budget pressures are due 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>5. Total projected overspend on Social Care activity £290,000 The overspend has increased by £205,000 due to Customer Journey shortfall in savings due to delay in implementation. There are pressures of £85,000 continuing in the Assistive Equipment Technology budget due to the out of hospital strategy and the additional spending on the Community Independence Service (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 of £56,000 is proposed to be funded from ASC reserves.</p> <p>6. Income shortfall of £315,000 on Careline Services This is as a result of an unachievable MTFS measure resulting from no</p>

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
				increase in charges. A new review has commenced exploring the options for the service. 7. Pressures within the Parkview establishment centre of £90,000 This is due to additional running costs which are proposed to be funded from ASC reserves.
Strategic Commissioning & Enterprise	5,639	33	(36)	8. The meals services is projecting an underspend of (£36,000) due to a decrease in the number of clients. This has been offset by quarter one S113 net projected overspend of £69,000 due to additional Commissioning costs.
Finance & Resources	7,791	0	0	
Executive Directorate	544	(75)	(75)	9. There is a projected underspend of (£75,000) within the workforce development training budgets.
Total	57,973	4,383	4,512	
Funding from ASC Pressures and Demand Reserves		(716)	(716)	The department has received Cabinet approval for £716,000 from the ASC Pressures and Demand reserve to partly offset budget pressures.
Better Care Fund – Health Contribution		(1,187)	(1,187)	This is the second year of the Better Care Fund and the department is in recently concluded discussions with Health for contributions towards Home Care, Community Investment Service and Assistive Technology as part of its joint out of hospital strategy.
Total	57,973	2,480	2,609	

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
London Living Wage for Social Care Costs.	150	537
Inflationary pressures greater than provided in the 2016/17 budget settlement.	150	300
Total	550	1,383

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	2,862	205	2,254
Schemes Delayed / At Risk	£000	Reason		
Various savings are at risk	2,254	At this stage of the financial year the department is projecting a number of savings at risk. A number of these are savings which 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: Adult Social Care Revenue Overspend Action Plan

	Mitigating Action(s)	Proposed mitigations £m	Responsible Officer	Deadline
1	Review of customer care needs as part of the transfer to the new Home care providers or through Direct Payments.	*	Viv Whittingham	December 2016
2	Review of Learning Disabilities Day Care costs and in-house day services.	*	Viv Whittingham	On-going
3	Review of 50/50 funded placements within Mental Health services.	*	Ranjit Kang	On-going
4	Review of high cost placements, Home care packages and Direct payments customers.	*	Karen Clark	On-going
5	All spending will be reviewed that is not directly related to an eligible social care need as identified in an individual customers support plan.	*	Mike Boyle	On-going
6	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.		Martin Calleja	March 2017
	Total			

*A number of reviews relate to customer packages of care and any resultant savings will be factored into future month's forecast when completed.

5: Supplementary Monitoring Information

Adult Social Care (ASC) is projecting a gross overspend of £4,383,000 as at end of period four, there is a reduction in the overspend of (£129,000) compared to the period three projection overspend of £4,512,000 mainly due the commencement of the action plan as detailed in section 5 below. After funding from the ASC Pressures and Demand reserve of (£716,000) which has received Cabinet approval and Better Care funding from Health of (£1,187,00), these will mitigate the overall pressures to a net projected overspend of £2,480,000.

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:

2016/17 CRM Month 4

Home Care new contract price (1/2 year)	£400,000
Learning Disabilities Service	£170,000
Parkview running costs	£ 90,000
Equipment pressures	<u>£ 56,000</u>
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 54% are on track to be delivered in full and a further 4% 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.

APPENDIX 2: CHILDREN'S SERVICES
BUDGET REVENUE MONITORING REPORT – MONTH 4

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
Family Services	33,119	386	518	<p>Family services is forecast to have an in year over spend of £386k at P4, which represents a favourable variance of £132k from P3 following a full review of the placement model.</p> <p>(-£568k) Fostering and Adoption – Forecast underspends against post order support budgets due to an ageing out of the population.</p> <p>(-£196k) Localities – Forecasts underspends on salaries as part of delivery of the original 3 year savings plan.</p> <p>£145k Contact and Assessment – There has been 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 £145k.</p> <p>£145k CWD (Children with Disabilities) – Overspend on staffing costs of £240k, in addition to overspends on placement related costs net of joint funding (£160k). This is partially offset by over achievement of the income target at The Haven (£256k).</p> <p>£286k Virtual Schools - The £200k historic savings target is not expected to be met in this financial year and there are also additional salary pressures of £86k in year.</p> <p>£171k MASH (Multi Agency Safeguarding Hub) - Insufficient budget established for the on-going costs related to the shared MASH service.</p>

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
				<p>£116k LAC Savings – This pressure has been reduced by £305k by moving care leavers to independence earlier and reducing the use of IFA (Independent Fostering Agency) placements from 15/16 to 16/17. There has also been a re-allocation of cost sharing for the Emergency Duty Team resulting in an additional favourable movement of £65k. Ongoing review work done by the LAC Team will look to further mitigate this cost pressure.</p> <p>Contact Centre Savings £37k - Forecast overspends on additional sessional and agency costs due to the delay in the implementation of the shared service contact centre to June 2016.</p> <p>Other smaller salary related overspends in YOS (Youth Offending Service) - £24k, Social Work for Families - £44k, unfunded Family Conference post - £55k and core LAC and LAC Assist teams - £87k.</p> <p>Other budget pressures relate to the contribution to the WLA (West London Alliance) Care Place work undertaken, and a forecast overspend where additional resource for Adult Psychiatric assessments have been agreed in order to meet current demand for parenting assessments and prevent the use of spot purchase assessments - £40k.</p>
Education	3,508	124	151	<p>SEN (Special Educational Need) £318k – pressure relating to staffing costs. A future Report is anticipated that will request a virement of £125k regarding such costs. If approved this would reduce the forecast overspend.</p> <p>Passenger Transport (-£81k) – favourable variance on contract.</p>

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
				Further small underspends within Educational Achievement (-£35k), Lilla Husset additional traded services (-£25k), vacancies held (-£22k) and other underspends across the directorate (-£31k)
Children's Commissioning	4,739	282	533	£544k Commissioning Team - Costs relating to additional resource to support the transition to new structure and deliver departmental projects. (-£262k) Contracts and Joint Commissioning – Due to underspends on youth contracts and CAMHS (Child and Adolescent Mental Health Services)
Safeguarding, Review and Quality Assurance	1,427	126	131	£126k Safeguarding – The pressure results from a shortfall in delivery from prior year MTFs savings.
Finance & Resources	4,788	(86)	602	£570k favourable movement from CRM 3 due to adjustment in the HR and payroll Service Level Agreement budget. Pressures on salaries (£485k) offset by salary budgets held to be vired out to departments (-£523k), forecast underspend on the 3BM contract (-£89k), and other minor variances (£41k).
Schools Funding	0	0	0	
Total	47,581	832	1,935	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000	£000
Passenger Transport – Additional cost of September and January cohort intake.	0	100
Passenger 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.	(30)	0

Risk Description	Lower Limit	Upper Limit
	£000	£000
Parenting Assessments - increase in contract value due to additional psychiatric assessments.	0	20
Educational Psychology – additional income from traded services	(30)	0
Total	(60)	120

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	2,941	0	286
Schemes Delayed / At Risk	£000	Reason		
Commissioning of a Children's Services contact service centre	37	Delay in the implementation until June 2016.		
Achieving permanent care for children, reducing LAC numbers and placement costs	116	Activities to be defined by the service.		
YOT	9	Staffing pressures		
Disabled Children Team	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.		

BUDGET REVENUE MONITORING REPORT – MONTH 4**1: Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
Pay & Display (P&D)	(11,808)	43	94	Income received in the first 4 months of 2016/17 from P&D (including phone payments and card payments) is higher than in the same period in the previous year. However, there is still an adverse variance of £43k forecast.
Permits	(4,496)	(139)	(112)	Income from resident permits in 2016/17 is higher than the same period last year, which has resulted in a favourable forecast.
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(6,814)	323	376	The number of PCNs issued in the first four months of the financial year are 7.64% down on the same period last year. An increase is expected from September as vacant enforcement posts have been filled, however the forecast for the year is expected to be £323k less than budgeted.
Bus Lane PCNs	(1,257)	(207)	(275)	The numbers of PCNs issued in the first four months of 2016/17 are 6.44% less than the same period in the previous year.
CCTV Parking PCNs	0	(6)	(7)	There are restrictions on the areas where CCTV can be used for parking enforcement. The number of PCNs issued is at a minimal level and this is expected to continue for the rest of the year.
Moving Traffic PCNs	(6,314)	260	(136)	The numbers of PCNs issued in 2016/17 are significantly lower than in the same period last year (17.35%). However, the previous years activity was higher than would normally be expected due to the numbers of days with works on roads being higher than usual. The current forecast assumes the activity seen in June and July will continue for the rest of the financial year. This will be monitored closely and the forecast adjusted as appropriate.

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
Parking Bay Suspensions	(3,223)	(71)	(125)	Income in the first four months of 2016/17 has increased in comparison with the previous year. The risk associated with suspensions income means that the forecast for the last 8 months of 2016/17 has been assumed to remain at the level seen last year. The budgeted income was increased by £500k in the 2016/17 budget planning.
Towaways and Removals	(325)	13	13	Income to date is similar to the previous year, so the forecast outturn is expected to be in line with the 2015/16 outturn.
Expenditure and Other Receipts	11,831	(276)	0	Staffing costs are forecast to be underspent by £298k based on current staffing and the expectation that the service will be fully staffed for 8 months. The month 3 variance was based on the assumption that the service would be fully staffed from July, but the new enforcement officers started in August. Supplies and services are forecast to be overspent by £22k.
Total	(22,406)	(60)	(171)	

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

The parking forecast is an underspend of £60k, which is explained in details in the table above. 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.

APPENDIX 4: CORPORATE SERVICES REVENUE MONITOR
BUDGET REVENUE MONITORING REPORT – MONTH 4

1: Variance by Departmental Division

Departmental Division	Revised Budget £000	Variance Month 4 £000	Variance Month 3 £000	Variance Analysis
H&F Direct	19,023	0	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)	(210)	0	0	
Legal and Electoral Services	786	0	0	
Finance & Audit	477	0	0	
Shared ICT Services & Procurement	(3,388)	0	0	Previously reported adverse variance of £180k has now been reduced to £62k and the department is confident that this can be eliminated completely by year end.
Commercial Directorate	70	0	0	There is a budget pressure relating to the non recovery of budgets from departments for savings assumed from the new stationery contract. This issue is expected to be resolved before end of the second quarter.
Executive Services	(721)	0	0	
Human Resources	23	0	0	
Delivery and	694	0	0	

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
Value				
Total	16,754	0	0	

2: Key Risks

None to report.

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

Finance & 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 5: ENVIRONMENTAL SERVICES
BUDGET REVENUE MONITORING REPORT – MONTH 4

1: Variance by Departmental Division

Departmental Division	Revised Budget £000	Variance Month 4 £000	Variance Month 3 £000	Variance Analysis
Cleaner, Greener & Cultural Services	21,418	(729)	(792)	<p>(£764k) Waste Disposal – A one-off rebate of £470k has been confirmed by Western Riverside Waste Authority, relating to underspends in 2015/16. The change in tonnages between years has been very volatile for both general and recyclables in April - July with variances ranging from +5.2% to -7.2%. July tonnages were significantly lower than last year. The forecast assumes less volatility but this will continue to be monitored and reported.</p> <p>(£7k) Waste and Street Cleansing contract – actual contract inflation is less than included in the budget this year. Proposals to reallocate this budget to ongoing overspends within the service group are currently being considered.</p> <p>£24k Waste Policy and Development – recycling sack sponsorship income target will not be achieved due to lack of demand for waste related advertising.</p> <p>£18k Other smaller overspends</p>
Safer Neighbourhoods	7,852	865	548	<p>£168k Transport – there is a £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 be reprocured, meaning there is an ongoing budget pressure of £100k for 2016/17 and future years. Additional pressures from 2015/16 are 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</p>

Departmental Division	Revised Budget £000	Variance Month 4 £000	Variance Month 3 £000	Variance Analysis
				<p>options for the continuation of the workshop are being explored.</p> <p>£298k Phoenix Fitness Centre – Capital improvement works to increase the income generating potential of the centre, and therefore reduce its annual management fee have been delayed. Discussions with the school have been constructive and it is now expected that the works will be undertaken this year, enabling the management fee to be reduced to nil over a 3 year period. As such, part of this pressure will be ongoing into 2017/18 for which budget growth is being requested.</p> <p>£315k Parks and Open Spaces – Net underspend due to contract inflation being less than budgeted. Proposal to realign with ongoing pressures in the transport section is being considered as feedback from FCS is that contingencies to fund pressures will not be agreed.</p> <p>A £382k pressure is included from this month due to additional costs from stopping the use of glyphosate weedkiller in parks.</p> <p>£48k CCTV Service – mostly relating to forecast salary overspends, which are being investigated.</p> <p>£24k Parks Police – salary overspend forecast, this is being investigated.</p> <p>£12k Other smaller overspends</p>
Other LBHF Commercial Services	44	(3)	177	The significant favourable movement this month is due to drawing down £180k of departmental reserves to offset the income shortfall on the ducting contract (£291k income target, compared to £105k guaranteed income for 2016/17).
Executive Support and Finance	77	0	0	
People Portfolio Saving	150	150	150	£150k People Portfolio Saving – this historic savings target is not expected to be met again this year. Proposals to permanently remove this target through a realignment of other

Departmental Division	Revised Budget £000	Variance Month 4 £000	Variance Month 3 £000	Variance Analysis
				service budgets are being considered.
Building & Property Management (BPM)	(2,779)	539	357	<p>£258k in Advertising Hoardings – It is anticipated that advertising hoarding income will be in line with budget for most sites except for the Two Towers, L'Oreal and Bentworth Road sites. This accounts for the forecast adverse variance. The income forecasts are based on the average income for the six months to March 2016 in the absence of more current information. Given the challenges from the previous year, this area will be monitored closely.</p> <p>£264k in Civic Accommodation</p> <p>£78k - Rent and Other Properties. The unfavourable variance is due to unachievable MTFs savings of £64k and an unachievable income target on Galena Road of £14k.</p> <p>£44k Technical Support and BPM Business Support – The Overspend relates to staffing costs in Technical Support of £42k. Options for generating income and internal recharges are currently being investigated to reduce the overspend.</p> <p>£5k – Other overspends.</p> <p>(£64k) Valuation Services –The change in the variance from last month mainly relates to some 2015/16 utilities invoices in the Carbon Reduction team being paid in 2016/17. The year end process has been reviewed and new actions are in place to prevent a recurrence in 16/17.</p> <p>(£46k) Building Control – The favourable variance is due to additional income from large building control schemes.</p>
Transport & Highways	13,706	(74)	(77)	(£74k) Transport & Highways -The favourable overall variance is due staff costs/time that can be charged to projects.
Planning	1,998	239	233	£233k - Planning - The overall unfavourable variance is due to an anticipated increase in legal charges and claimants costs

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
				from challenges to planning decisions made by the Council. The Planning Division are using existing reserves to fund a proportion of these costs. This leaves unfunded costs of £229k. It is very likely that these costs will increase further during the year. See the Risk Profile in section 2 below for further details.
Environmental Health	3,029	19	1	£19k Licensing Section – The adverse variance relates to a one off legal claim.
Former TTS Support Services	(664)	17	0	
Total	44,831	1,023	598	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000	£000
Advertising Hoarding Income – Contractor now working to the contract and has not had to provide income data since March 2016. There may be lower than expected income from advertising hoardings sites, and there is a potential dispute with contractor.	200	500
Unfunded Judiciary Review expenditure and exceptional items in Planning Division	300	450
If costs arise from the termination of the LINK shared service	0	500
Total	500	1450

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		2,668	1,272	1,023	373
Schemes Delayed/ At Risk	£000	Reason			
Additional Rental Income	64	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 roll out across the borough. Currently, only 55% of the savings are expected to be achievable as a result of a start date that is later than assumed in the budget.			

4: Environmental Services Revenue Overspend Action Plan

	Mitigating Action(s)	Proposed Mitigations £m	Responsible Officer	Deadline
1	Waste Disposal - The year to date change in tonnages between years has been very volatile for both general and recyclables with variances ranging from +5.2% to -7.2%. The current forecast assumes future general tonnages will be 0.5% higher than the same months last year, and recyclables will be 1% higher. Waste tonnages are impossible to predict, but if future month tonnages continue at the average year to date increases instead (-0.6% general waste and -0.1% recyclables), the forecast would reduce by £57k (from £294k underspend to £351k underspend). Officers are working on a number of waste reduction initiatives in order to reduce general waste and increase the recycling rate to keep waste disposal costs down. These will be presented as part of the Smarter Budgeting and Futures Board proposals. However, a reduction for this year is very high risk and cannot be guaranteed.	0.057	Jay Amies	31 st March 2017
2	Vehicle Repair & Maintenance Workshop – currently forecasting £129k pressure, due mostly to loss of Passenger Transport income following outsource	0.032	Alistair Ayres	31 st December

	Mitigating Action(s)	Proposed Mitigations £m	Responsible Officer	Deadline
	of service (£100k). Growth has been requested to permanently resolve this uncontrollable pressure. As previously discussed with the Lead Cabinet Member, closure of the workshop could reduce this pressure in year by one quarter at best (£32k), excluding redundancy costs which are expected to be funded corporately. Closure of the workshop would mean that services need to organise their own repairs and maintenance via the leasing companies.			2016
3	Registrars - The Superintendent Registrar maternity leave will not be backfilled, giving rise to a 6 month staff saving	0.034	Alistair Ayres	31 st August 2016
4	Community Safety - Restrict spend on various community safety initiatives, such as £10k Partners Tasking and £5k Safer Neighbourhood Boards administration. Further possible underspends on stray dogs service. All these limit flexibility and are high risk.	0.015	Chris Reynolds	30 th September 2016
5	Leisure Contracts - Potential part year saving if delayed works at the Phoenix Leisure Centre are completed before year end. Project expected to be signed off in September, but 20 week project time means works are not likely to be completed until the end of January 2017 at the earliest.	0.039	Christopher Allen	31 st January 2017
6	Sports Bookings - Early introduction of licences for Group Trainers (agreed in Strategic Partnership Board and Smarter Budgeting as saving from, 2017/18). £10k part year saving.	0.010	Christopher Allen	30 th September 2016
7	Environmental Health - Early implementation of smarter budgeting savings (team restructure and additional income) plus agreement to unpaid leave for some staff with no back fill.	0.025	Nick Austin	31 st December 2016
8	Planning & Development - Further legitimate drawdowns from the Community Infrastructure Levy (CIL) reserve to fund significant additional senior officer time spent on new large regeneration schemes.	0.075	Juliemma Mcloughlin	31 st December 2016
9	Building & Property Management - Explore options for increased income generation through letting Council buildings (e.g. Bagley's Lane Depot) and identifying new advertising sites.	0.064	Maureen McDonald-Khan / Nigel Brown	31 st December 2016

	Mitigating Action(s)	Proposed Mitigations £m	Responsible Officer	Deadline
10	Building & Property Management – Review obligations regarding Fulham Town Hall running costs	0.090	Maureen McDonald-Khan / Nigel Brown	30 th September 2016
	Total	0.441		

5: Supplementary Monitoring Information

This year the Environmental Services budget is seeing the financial impact of a number of factors not within its control. All areas of the service group have been reviewed to identify areas where expenditure can be curtailed or additional income generated before year end. There are very limited options available. Potential mitigating actions (some of which are very high risk and may not be able to be relied upon).

APPENDIX 6: HOUSING DEPARTMENT - GENERAL FUND
BUDGET REVENUE MONITORING REPORT – MONTH 4

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
Housing Strategy, Options, Skills & Economic Development	7,918	20	304	This mainly relates to a forecast overspend of £622k as a result of inflationary pressures on rents for suitable temporary accommodation from private sector landlords offset by: <ul style="list-style-type: none"> a reduction in the net costs of Bed and Breakfast (B&B) accommodation of (£96k) due to lower average client numbers (103 forecast compared to 130 in the original budget), a reduction in Bad Debt Provision (BDP) because of the better than expected collection performance on B&B (£37k) and on Private Sector Leasing (PSL) (£329k), and income of (£140k) from the DWP New Burdens Fund for the removal of the TA Management fee subsidy.
Housing Strategy & Regeneration	7	62	0	This relates to costs associated with the Earls Court Regeneration Project for 70 Lillie Road which cannot be funded from capital of £62k.
Housing Services	44	0	0	
Strategic Housing Stock Options Appraisal - General Fund	0	0	0	
Finance & Resources	174	0	0	
Total	8,143	82	304	

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.	109	274
No recourse to public funds - recent legislative changes mean that asylum seekers granted Leave to Remain are not given access to public funds. This means that households have the legal right to remain in the UK but are unable to access benefits and social housing. As a result, the Council has seen an increase in the number of applications for assistance. In order to mitigate against this, officers are reviewing the application and assessment process and liaising with colleagues from Adult and Children Services to identify funding.	278	464
Total	387	738

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 £265k TA & £140k EDLS	405	265	0	140
Schemes Delayed / At Risk	£000	Reason		
Adult Learning and Skills Service MTFS	140	Officers are planning to achieve this saving through the implementation of a restructure. This is expected to be initiated shortly now the Director for Housing Growth & Strategy is in post.		

4: Housing General Fund Revenue Overspend Action Plan

	Mitigating Action(s)	Proposed mitigations £m	Responsible Officer	Deadline
1	Further negotiations with landlords to reduce the current rental margin. Work on complex 'No Duty' cases to release cheaper TA to meet on-going demand. Policy decision regarding out of borough procurement – Rationale in progress and meeting to be arranged.	0.020	Jo Rowlands / Glendine Shepherd	on-going to March 2017
2	Management action is being taken to develop a plan to address the remaining underspend and a further update on these plans will be provided in next month's report.	0.062	Jo Rowlands / Glendine Shepherd	On-going to March 2017
	Total	0.082		

5: Supplementary Monitoring Information

The Housing and Regeneration department currently expects the overall outturn for the year 2016/17 to overspend against the budget by £82k. There has been an improvement of £222k in the forecast since last month. The department continues to work on ways to mitigate this forecast overspend.

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 7: LIBRARIES AND ARCHIVES SERVICES
BUDGET REVENUE MONITORING REPORT – MONTH 4

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
Libraries Shared Services	3,175	0	0	No Variance for the month
Total	3,175	0	0	

2: Key Risks

Risk Description	Lower Limit	Upper Limit
	£000	£000
Reduction in income from internet usage on PC's	10	10
Total	10	10

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		

4: Supplementary Monitoring Information

The risk of £10k is to reflect the reduced income from the decision to allow 1 hour free usage on PC's, which will need to be mitigated through increased income elsewhere (in addition to MTFS requirements). This is currently rated as in progress as there is work being undertaken to identify the income streams, but not all of these have been introduced yet. This will be monitored closely throughout the year. There is ongoing Programme work to achieve the required savings in 2017/18 as well, for which a possible shortfall of £31k for programme resourcing has been identified. This is invest to save work, and a business case will be presented to the Smarter Budgeting group to try and secure this as a growth item.

APPENDIX 8: PUBLIC HEALTH SERVICES
BUDGET REVENUE MONITORING REPORT – MONTH 4

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
Sexual Health	5,768	0	0	*See supplementary information below
Substance Misuse	4,870	0	0	*See supplementary information below
Behaviour Change	2,527	(47)	(47)	Health Trainers performance trigger unlikely to be met; trend follows prior year.
Intelligence and Social Determinants	60	(10)	(10)	Specialist project work not required in current year.
Families and Children Services	6,440	0	0	
Public Health Investment Fund (PHIF)	2,162	39	39	Minor overspend of £39k which is due to projects spending in 2016/17 which were agreed in the previous year.
Salaries and Overheads	1,285	0	0	*See supplementary information below
Drawdown from Reserves	(596)	405	405	The current identified variances will reduce the estimated drawdown from reserves, which budgeted at £596k and will instead be £191k.
Public Health – Grant	(22,516)	(387)	(387)	Public Grant final allocation of £22.903m exceeds the original budget estimate of £22.516m, giving an increase in funding. This was due to the final allocation being issued at the end of February (after the budget-setting process had concluded)
Total	0	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	1,930

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

N/A.

4: Supplementary Monitoring Information

Relatively few invoices are paid in relation to current financial year, so variance is based on budget manager forecasting, which will be analysed in greater depth once invoices are received and paid. For the Sexual Health and Substance Misuse services in particular, suppliers of several large contracts are slow to invoice the Council for current activity. In previous years, this tends to be up-to-date by month 6, but until then will be based on last year's charges. These services underspent last year, so any changes to the forecast are likely to be positive.

For the Public Health Investment Fund (PHIF) expenditure, this is usually increased in-year along with Council priorities, so will change as the year progresses.

Salaries and overheads is one area that is subject to change as the year progresses, as the Public Health service is about to undergo a restructure. This may affect the forecast from month 9, but will be known in more detail at month 6.

APPENDIX 9: CENTRALLY MANAGED BUDGETS
BUDGET REVENUE MONITORING REPORT – MONTH 4

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
Corporate & Democratic Core	6,066	0	0	
Housing and Council Tax Benefits	(291)	0	0	
Levies	1,570	0	0	
Net Cost of Borrowing	32	300	300	The unfavourable variance forecast is due to the poor outlook for interest rates over the next year which will lead to reduced income on the cash balances held by the council.
Other Corporate Items (Includes Contingencies, Insurance, Land Charges)	4,713	200	0	Adverse variance due to reduced Land Charge income caused by slowdown in housing market activity.
Pensions & Redundancy	9,450	(272)	(272)	Past Service costs less than budgeted.
Total	21,540	228	28	

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)	0
Total	(500)	0

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			

4: Centrally Managed Budgets Revenue Overspend Action Plan

	Mitigating Action(s)	Proposed mitigations £m	Responsible Officer	Deadline
1	The adverse variances reported above relate to areas outside of LBHF control (interest rates and housing market conditions). Action will be taken to identify compensating savings in other centrally controlled budget areas. This may include a review of our investments.	0.228	Andy Lord	30 th September 2016
	Total	0.228		

5: Supplementary Monitoring Information

Currently there is £1.4m of approved expenditure to be funded from unallocated contingencies. This leaves an unallocated contingency balance of £0.9m.

APPENDIX 10: HOUSING REVENUE ACCOUNT
BUDGET REVENUE MONITORING REPORT – MONTH 4

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 4	Variance Month 3	Variance Analysis
	£000	£000	£000	
Housing Income	(76,571)	0	0	
Finance and Resources	15,151	(369)	(35)	This underspend mainly relates to vacant posts (£165k), redundancy costs (£100k) and other minor underspends (£104k) including a delay in IT project spend.
Housing Services	13,055	89	89	Increase in grounds maintenance costs, with an estimated additional £180k. These additional costs will be partially offset by underspends in staffing, projected at (£91k).
Strategic Housing Stock Options Transfer	0	0	0	
Property Services	2,405	0	0	
Housing Repairs	13,869	0	0	
Housing Options HRA	343	(14)	(14)	This mainly relates to higher than expected income from hostels due to a lower void rate than budgeted.
Adult Social Care	48	0	0	
Regeneration	237	24	94	This relates to refurbishment costs at Mund Street, which are forecast at £24k.
Safer Neighbourhoods	578	0	0	
Housing Capital	29,824	0	0	
(Contribution to)/ Appropriation From HRA General Reserve	(1,061)	(270)	134	

2: Key Risks

Risk Description	Lower Limit £000	Upper Limit £000
Universal Credit: A very prudent allowance was made in the budget for the impact of Welfare Reform, however, the full impact of Welfare Reform has not been felt yet. The timing of the roll out of Universal Credit and the resultant financial impact is being closely monitored and will be reported on monthly.	unknown	unknown
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
Housing Development Programme: 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.	0	200
Termination of IT contract: the contract with Hammersmith & Fulham Bridge Partnership will terminate this year and it is expected that should there be any additional unbudgeted costs, these will be funded from an earmarked reserve set aside for this purpose.	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)	(270)	(19,851)

5: Supplementary Monitoring Information

The Housing Revenue Account is forecast to under spend by £270k against the budget for 2016/17. This represents an improvement since last month of (£404k), however, this needs to be considered in the context of a number of risks as outlined in the Key Risks section above.

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: LONDON BOROUGH OF HAMMERSMITH AND FULHAM – EFFICIENCY PLAN

Introduction

The provisional Local Government Finance Settlement announced on 17th December 2015 stated that the Government will offer any council that wishes to take it up a four-year funding settlement to 2019-20. A letter from the Secretary of State for Communities and Local Government dated 10th March 2016 set out the requirement that authorities wishing to take up the offer should send a link to their published Efficiency Plan by 14th October 2016. There is no specific guidance as to what the Plans should contain but that 'they should be locally owned and locally driven it is important that they show how this greater certainty can bring about opportunities for further savings.

Sound financial management and efficient working underpin the delivery of services by the Council. £39m of budget savings have been delivered over the past two years whilst delivering a £6m underspend in the last financial year. Greater certainty regarding future government funding will assist with our financial planning.

The Council has produced this Efficiency Plan to meet DCLG requirements for a four-year funded settlement.

The Efficiency Plan

The Council's Medium Term Financial Strategy (MTFS) underpins the budget setting process each year and over the strategy period. The aim of the MTFS is to give us a realistic and sustainable plan that reflects the Council's priorities.

Members are fully aware of the significant financial challenge faced by the Council as a result of the Government's ongoing budget deficit reduction programme which has resulted in continuing reductions in the financial support given to local government.

In the context of ongoing budget pressures, we believe that our MTFS is a sound process for addressing the ongoing fiscal reductions we are face. This is becoming progressively more difficult.

At the heart of the MTFS process sits the Smarter Budgeting Outcome Transformation Programme. This provides structure, focus and direction in addressing the significant financial challenge faced by the Council. In so doing it recognises that, in addressing many complex issues, we will need to adopt innovative ways of directing scarce resources in an effective, economic and efficient way without losing sight of those at the heart of why we are doing what we are doing, our residents.

The offer of a four-year settlement will bring a degree of certainty which will aid financial planning and, in turn, afford the opportunity to take a measured and structured approach to dealing with budget pressures and identifying requisite savings.

The Council considers that the combination of the MTFS and the Smarter Budgeting Outcome Transformation Programme effectively comprises the **Efficiency Plan** as required by the Secretary of State for Communities and Local Government to allow Hammersmith and Fulham to accept the multi-year settlement.

The Medium Term Financial Strategy

Hammersmith and Fulham has had to make significant savings in our financial planning since the 2010 Autumn Statement which heralded an unprecedented era of austerity for public sector finances. The provisional Local Government Settlement for the four-year period 2016/17 to 2019/20 has confirmed the need to have a sustainable plan in place to maintain services whilst protecting our most vulnerable residents. Having delivered a balanced budget for 2016/17, we have reviewed our MTFS, and anticipate we will need to deliver further base budget savings of £52 million between 2017/18 and 2020/21.

The offer of a provisional multi-year settlement has allowed the Council to model the future financial position on the basis of published figures for the first time, whilst being aware that the economic and political environment can change significantly over a four-year period.

The MTFS will be kept under regular review as assumptions change over time. By being flexible and adaptable the Council can respond to changing circumstances and amend its plans accordingly. This is a major task when our net revenue expenditure is approximately £167m million and we need to make £52million of savings by 2020/21.

MTFS Objectives

In developing this Strategy, the Council has set the following objectives:

1. To deliver sufficient savings in order to bridge the funding gap identified in the Council's MTFS.
2. To direct resources to priority areas in line with the principles of the Council's Smarter Budgeting Outcome Transformation Programme;
3. To engage with residents when determining how resources will be prioritised;
4. To maintain the Council's reputation of excellent front line service provision;
5. To be open to accept cultural change in the ways we work and offer services to our residents in order to release efficiencies and savings.

Smarter Budgeting

It is recognised that there is no one simple solution to addressing the financial challenges faced. What is clear is that the traditional approach of departmental budget targets is no longer sustainable; in recognition of this, we're looking to a new

corporate approach: outcome based budgeting, which is being developed under the Smarter Budgeting Outcome Transformation Programme. It is being developed over a timescale which mirrors the MTFS.

This Programme will allow us to direct our resources and maintain strategic focus on those outcomes that matter most: -

1. Economic Growth

Enterprise thrives in a healthy local economy, businesses are resilient and there are improved jobs, skills and opportunities for residents.

2. The best start in life for children

Children are protected from harm and all young people are given the best possible start in life.

3. Resident involvement

The views and ideas of residents are at the heart of what we do; we're working with residents to protect what they value.

4. Decent Homes

Residents find it easier to buy and rent decent homes.

5. Reducing Homelessness

Hammersmith & Fulham has a reduced level of homelessness and overcrowding.

6. Supporting Vulnerable Adults

Vulnerable adults have the right levels of support to live in dignity and as independently as possible.

7. Safer and Healthier Place

Hammersmith & Fulham is a safer and healthier place to live, work and visit.

8. Sustainable Borough

Residents enjoy a cleaner, greener and more environmentally sustainable borough.

The following overarching themes underpin delivery of priority outcomes: -


- Hammersmith and Fulham aims to be the best council, working in partnership with schools, health, the police, the third sector and other key organisations.
- We will deliver increased value for money and raise commercial revenue while improving frontline services, discharging statutory duty, and reducing the cost of the council to residents.
- At the core of our outcomes is the ambition to increase social inclusion in everything we do.

At an officer level the process is overseen by the Smarter Budgeting Board, a group of Senior Managers, who ensure the Programme is on track and that proposals from Outcome leads are feasible, sustainable and align with priority aims and objectives. It is important that the focus is not on council activities in isolation; we will bring in other organisations to ensure that we are joining up to achieve results, and we will

work with community groups to build community resilience and capacity. The Lead Cabinet Member has been fully involved in developing this approach and the whole Administration is supportive of this approach.

Summary

The MTFs sets out the four-year financial plan which will inform the level of resources the Council is able to prioritise in accordance with the key outcomes identified by engaging with our residents. The Smarter Budgeting process will ensure scarce resources are spent on activities that reflect what the community wants with due consideration of how those activities may be best delivered by working with partner organisations including neighbouring boroughs, the police, health, and the third sector. Accordingly, the Efficiency Plan combines financial planning articulated in the MTFs and the prioritisation of activities as determined by the Smarter Budgeting Outcome Transformation Programme.

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>7 NOVEMBER 2016</p>	
<p>COMMUNITY ASSET TRANSFER PROGRAMME</p>	
<p>Report of the Cabinet Member for Social Inclusion - Councillor Sue Fennimore and the Cabinet Member for Finance - Councillor Max Schmid</p>	
<p>Open Report</p> <p>A separate report on the exempt part of the agenda provides exempt information in connection with this report.</p>	
<p>Classification - For Decision Key Decision: YES</p>	
<p>Wards Affected:</p> <ol style="list-style-type: none"> 1. Avonmore & Brook Green Ward 2. Shepherds Bush Green Ward 3. Addison Ward 	
<p>Accountable Director: Kim Dero, Director of Delivery and Value.</p>	
<p>Report Author: Sue Spiller, Head of Community Investment</p>	<p>Contact Details: Tel: 020 8753 2483 E-mail: sue.spiller@lbhf.gov.uk</p>

EXECUTIVE SUMMARY

1. The Council wishes to ensure the long term availability and sustainability of community-based assets at it recognises that:
 - dynamic and well run community buildings can be the bedrock for local communities; housing a wealth of services, support and facilities upon which neighbourhoods can develop and thrive and local citizenship and engagement can be strengthened.
 - third sector organisations and charities can access funding, donations and expertise which are not available to local authorities and which can open up opportunities and build community resilience.

This report seeks authority to:

- commence a programme of community-led asset management by transferring the ownership of two council assets to the Urban Partnership Group (UPG). The assets in scope are the Masbro Centre, Masbro Road, and the Edward Woods Community Centre
- grant of a lease to UPG at 49 Brook Green

- fund the UPG towards the running and maintenance costs of Edward Woods Community Centre and 49 Brook Green, including the Facilities Management services currently being provided under the AMEY Contract.

RECOMMENDATIONS

2. That the Masbro Centre be transferred to UPG through freehold transfer with appropriate restrictive covenant and pre-emption rights which stipulates the building must in its entirety be retained for community use, subject to Secretary of State consent under Section 123 of the Local Government Act 1972 and that UPG is required to assume full responsibility for all running costs, repairs and maintenance of the property. The current lease between LBHF and UPG would be surrendered.
3. That Edward Woods Community Centre be transferred to UPG through a freehold transfer with appropriate restrictive covenants and pre-emption rights which stipulates the building must in its entirety be retained for community use, subject to Secretary of State consent under Section 123 of the Local Government Act 1972 and that UPG is responsible for all running costs, repairs, and maintenance of the property under the terms of the freehold transfer.
4. That 49 Brook Green be transferred to UPG via a grant on the under-lease, for a 30 year term which specifies the use of the property. The transfer will be subject to, subject to Secretary of State consent under Section 123 of the Local Government Act 1972. The Council has capped the level of service charge payable to UPG and the details are outlined in the heads of terms That £115,660 per financial year (or part thereof) be awarded to UPG for the running, staffing and management costs of Edward Woods Community Centre. This funding is recommended for an initial term of 4 years three months (until March 2021), with the option of renewing the funding agreement for two further terms of 12 months each. The funding for this will come from the Council's existing budget for the Edward Woods Community Centre and funding released from the Amey contract for the facilities management costs of the property, which will be reinvested into the council's corporate grants scheme.
5. That £55,566 per year (or part thereof) be awarded to UPG for the running costs of 49 Brook Green. This funding is recommended for an initial term of 4 years three months (until March 2021), with the option of renewing the funding agreement for two further terms of 12 months each. This funding will meet the costs of internal maintenance and repairs, business rates and running costs of the property, but also takes into consideration the income generated from the space. This grant will be funded from the council's existing budgets for the property (held by CSD and CPS), including funds currently held through the Amey contract, which will be re-routed into the council's corporate grants budget.
6. That delegated authority be given to the Director of Delivery and Value to undertake the TUPE transfer of staff from Edward Woods Community Centre to UPG following consultation with the staff affected during October 2016 with effect from 1st December 2016.
7. That the Cabinet Member for Social Inclusion and the Cabinet Member for Finance are given joint delegated authority to make further minor decisions related to the Community Asset Transfer in order to drive forward the programme and realise the administrations ambitions.

REASONS FOR DECISION

8. The council's constitution provides delegated powers in relation to the granting of leases and this is delegated to the Director of Building & Property Management. The

proposed transfers contain clauses and terms that are not the standard commercial leases terms and a Cabinet decision is sought so the financial implications can be fully assessed along with Members being sighted on the Council's obligations under Section 123 of the Local Government Act 1972.

9. The allocation of funding to UPG towards the facilities management costs of Edward Woods Community Centre requires a formal decision to be made. The level of funding proposed requires this to be a Cabinet Decision.

PROPOSAL AND ISSUES

10. Transfer of the Masbro Centre
11. The Masbro is the borough's biggest, busiest, and most dynamic community centre. UPG has managed this property since 1997 (previously as Blythe Neighbourhood Council prior to their merger with UPG) creating a vibrant hub for the community and supporting and developing local services which both identify, and meet the needs of residents from the borough. The council currently grant funds UPG £50,000 a year towards the costs of running the centre. In addition, UPG receive a range of funding for services from the council, including from Childrens Services who commission UPG to provide a children's centre at this site.
12. UPG's current lease for this property is for 25 years commencing on 1 April 2006 and expiring on 31 March 2031 at a peppercorn rent. The UPG lease was extended in 2013 to 31 March 2034.
13. To ensure that the building is fit for purpose, in February 2015, a Cabinet Member decision was agreed to replace the boiler at the Property at a cost of £91,000. Agreement was therefore reached with UPG for sharing the cost equally. UPG have been paying re-payments as agreed over a 2 year period which commenced in April 2015.
14. The boiler installation and associated works were completed in April 2015, and the boilers are now operational. However, the associated pipework and radiators are now in need of urgent attention.
15. A recent survey of the building by 3BM has identified that the property would benefit from additional capital investment to improve the facilities and infrastructure of the building and to further assist in making sustainable centre of the community on a long term basis. UPG fully acknowledge that no capital funds are being offered for this purpose but the freehold transfers have been structured to allow UPG a wide range of avenues to secure additional funding from external sources, including options to mortgage the property or secure commercial loans with a legal charge against the property.
16. The transfer arrangements for the two freehold properties seeks to focus on the community outcomes to be provided by UPG and has a number of safeguards in respect of protecting community use at the property through various legal mechanisms. However, some relaxation in the safeguards have been made to allow UPG to lever in external funding and this is outlined in more detail in Appendix 1 (contained on the exempt report).
17. The running of the Masbro Centre is UPG's existing core business – with little risk identified in terms of the organisation failing to continue to deliver this service to its current high standards. Indeed, a Freehold Transfer with restrictions/pre-emptive rights will enable UPG to maximise the potential of the centre, and support its long term sustainability.

18. Edward Woods Community Centre
19. This centre is well known and well used by estate residents and is currently managed directly by the Council. The building accommodates a number of regular services and activities, including children's school and extra-curricular sports activities, keep fit and activity classes for adults, skills training and employment support, a café and a children's centre, as well as numerous one-off bookings and events. The building also has three offices on the 1st floor, which are let to external organisations. UPG is a regular user of the centre having one of the offices for Edward Woods Community Champions plus meeting space for activities associated with this project, the children's centre, parenting, adult learning, and youth facilities.
20. Transferring the Edward Woods Community Centre to UPG will underpin the sustainability of the centre, enabling the centre to increase its offer to local residents, and for UPG to lever in additional funding for services, not accessible to the Council, which will further benefit local residents. Proximity to Masbro Centre means that the running and facilities management of this property can be streamlined, and offer an impressive single offer to residents from a broader geographical area.
21. A recent survey of the property by 3BM has identified a range of improvements that might be needed to bring the building up to a good standard. As with the Masbro Centre, UPG are fully aware of the likely costs of this and that no capital funding is at this point available from LBHF for this purpose. Therefore, the proposed asset transfer has been structured to enable UPG to tap into external funding opportunities, including mortgages and commercial loans.
22. It should be noted that the Council would be forgoing a possible income stream of £104,000 per annum (excluding the running and staff costs) likely to be generated from Edward Woods Community Centre (should the building be leased at a market rent).
23. 49 Brook Green
24. 49 Brook Green is currently designated as a spoke children's centre (as part of a hub and spoke model). LBHF has a long lease of the ground floor and there are residential flats on the upper floors that are in private ownership. A range of children's centre services are delivered from the property including services offered by UPG. There are currently two childcare providers also operating from these premises: Brook Green Nursery (previously known as Addison Pre-School) and Step by Step Nursery. There are parts of the building that are under-utilised and part is vacant.
25. Both Step By Step Nursery and Addison Pre-School continue to occupy the premises under licence arrangements dated 01 October 2008, which continue until determined by either party, serving on the other, three months' notice in writing.
26. As well as the ambition to transfer buildings to community ownership, the opportunity to expand affordable childcare at this site is an integral part of the redesign of children's centre services to protect both universal as well as targeted services (including 2 year old places). At present the two occupying nurseries deliver 32 places but with fuller use it could accommodate approximately 70 children of mixed ages (0-5).
27. It is proposed that by transferring the property to UPG, UPG will gain a modest income from Brook Green Nursery and Step By Step Nursery which will contribute to the running costs of the property.
28. Transferring 49 Brook Green to UPG as part of this programme would enable a more cohesive offer for local residents in terms of services for children and families, and

offer a single service across multiple sites for local residents, with a clearer offer and more joined up referrals.

29. A recent survey of the property by 3BM has identified a range of improvements that might be needed to improve the layout and maximise the use of this building. As with the Masbro Centre and Edward Woods Community Centre, UPG are fully aware of the likely costs of this and that no capital funding is at this point available from LBHF for this purpose.
30. LBHF is not at this point seeking to make a saving from transferring this property to UPG's management in the short term, as an award of a grant, generated from the council's existing budgets for the building held by Children's Services and savings from the Amey contract will enable UPG to manage and run the building. These funds will be transferred into the council's Corporate Grants programme, managed through the Delivery & Value service.
31. All three sites are busy centres, with a high degree of foot fall, and therefore it is of paramount importance to ensure that all three sites are well maintained and offer a safe and welcoming environment
32. The Council has outlined to UPG the range of facilities management services that will be required under the terms of the transfer agreements. UPG has appointed 3BM facilities management compliance services for all three properties.
33. Transfer of Edward Woods Community Centre Staff:
34. Officers gave consideration to the options available for current LBHF employees at the Edward Woods Community Centre, continuing to manage the building once transferred to UPG. Legal advice has been secured on this matter.
35. It is proposed that UPG take on full responsibility for the employment of two members of council staff. Staff can be transferred to UPG separately from the transfer of the asset and it is recommended that this be in effect from 1st December 2016, as the centre staff's current line manager is due to leave the council by the end of the year.
36. Providing a grant for the running of Edward Woods Community Centre:
37. Officers recommend providing grant funding to UPG for the running costs of the centre, which will come from the council's existing budget for the service. Transfer of staff who currently manage the centre is also required, and will ensure the smooth transition of the property from the council to UPG, with no disruption to the services operating from the centre.
38. UPG will need time to generate sufficient funding to cover the running costs of Edward Woods Community Centre – therefore the grant proposed will cover these costs until March 2021, and potentially until March 2023. However, in the longer term, UPG would be expected to raise and generate sufficient funds for this purpose, which would generate approx. £41,000 savings to the Council in the future.
39. The council currently has a budget of £159,000 per financial year which is apportioned as follows:

Item	LBHF costs	UPG costs
Salaries	£74,700	£74,700
Repairs and maintenance (currently provided by AMEY)	£49,000	£49,000
Electricity	£5,300	£5,300
Gas	£5,400	£5,400
Water rates	£1,300	£1,300
Business rates	£16,800	£3,360

Telephones	£2,600	£2,600
IT hardware	£4,000	£4,000
Total running and repairs and maintenance costs:	£84,400	£70,960
Income received	-£30,000	-£30,000
Net running and repairs and maintenance costs	£54,400	£40,960
Total costs per financial year including salaries	£159,100	£115,660

40. Funding for 49 Brook Green

41. Officers recommend providing funding to UPG for the running costs of the centre, which will come from the council's existing budget for the property.
42. UPG will need time to generate sufficient funding to cover the running costs of 49 Brook Green – therefore the grant proposed will cover these costs until March 2021, and potentially until March 2023. However, 49 Brook Green has potentially far less rental income opportunities than the Edward Woods Community Centre, as the council's own lease for the property restricts the purposes for which it can be used.
43. The council currently spends approximately £147,515 on the property which is apportioned as follows:

Item	Current costs to LBHF	Future cost to UPG
Electricity	£3,546	£3,546
Gas	£6,362	£6,362
Water rates	£1,601	£1,601
business rates	£74,536	£14,907
Repairs and maintenance (Amey costs)	£26,749	£26,749
Cleaning (Amey costs)	£22,720	£15,000
Service charge	£12,000	£0 (see 16)
rental income from other 2 tenants	£0	-£12,600
total	£147,515	£55,566

44. As with the Edward Woods Community Centre, As a registered charity, UPG would realise an 80 per cent discount on the cost of business rates for the property
45. Funding Term:
46. , Officers consider that an initial term of 4 years 3 months (until March 2021) offers sufficient time for UPG to effectively fundraise to secure the additional income required and to further incentivise their activities in this regard. It is further recommended that two renewal periods of up to 24 months each be included in the funding agreements. Renewals of funding will be subject to a) availability of funding b) administration and local priorities and c) performance of the funded organisation.
47. The funding to be offered consists of the council's existing budgets for the Edward Woods Community Centre and 49 Brook Green, including the costs under the service matrix in the AMEY contract, less the income generated by the centres through rental income.
48. It will be far more difficult for UPG to generate additional income for 49 Brook Green, as the restrictions in its use are strictly set out in the lease for the property. Furthermore, the availability of alternative funding streams for the types of services likely to be delivered by UPG from this site is limited.
49. The Council has agreed a cap on the service charge payable by UPG and the details of this are outlined in Appendix 3 (contained on the exempt report).

50. **Savings to be realised:**

51. In transferring the Masbro Centre and Edward Woods Community Centre freehold to UPG and providing a long lease for 49 Brook Green, the Council can remove all three properties from the service matrix under the AMEY contract, and an adjustment will be made to the fixed fee under the change control process.
52. As part of this, the running and repairs & maintenance costs for the Edward Woods Community Centre and 49 Brook Green will be transferred to the Council's corporate grants programme (3rd Sector Investment Fund, and allocated to UPG as part of a grant for managing the building.
53. The Council will also not need to set aside funds under its future planned maintenance programme for these assets.

54. **OPTIONS AND ANALYSIS OF OPTIONS**

55. Officers have considered all options open to the council in terms of ways in which the properties in question could be transferred to UPG. This has included leasehold and freehold options, with and without restrictions, and options for which body would be responsible for the overall running costs of the property – council or UPG. See appendix 1 (contained on the exempt report) for further information.
56. Officers have identified the options which offer the best solution from the council's perspective for the Masbro Centre, the Edward Woods Community Centre and 49 Brook Green (appendix 1) and conclude:
57. Masbro Centre: The running of the Masbro Centre is part of UPGs existing core business – with little risk identified in terms of the organisation continuing to deliver this service to a high standard. Indeed, a Freehold Transfer with restrictions/pre-emptive rights will enable UPG to maximise the potential of the centre, and support its long term sustainability.
58. EDWARD WOODS COMMUNITY CENTRE: With extensive expertise of running and managing a dynamic and busy community centre, UPG are well placed to take over the management of the Edward Woods Community Centre – ensuring the centre responds to local needs and offers a range of community activities for local residents, therefore Freehold Transfer is recommended.
59. It should be noted that the Council would be forgoing a possible income stream of £104,000 per annum (excluding the running and staff costs) likely to be generated from lettings.
60. 49 BROOK GREEN: The Council has a long lease at this property so it cannot transfer the freehold but a lease is recommended to be granted to UPG so they can work with the two current child care providers to further deliver aligned services from this building to local people

CONSULTATION

61. The Masbro Centre: as transferring this asset would have no impact on the services offered from the community centre, consultation was not considered necessary.
62. Edward Woods Community Centre: Consultation with Edward Woods Community Centre staff: staff have been informally notified of the possibility that the Centre may be transferred to the management of UPG. The current staff's terms of employment would remain the same, and a formal consultation will take place with the staff before any decision to transfer the property is actioned.

63. Consultation with Edward Woods Estate residents: given that the Edward Woods Community Centre would continue to operate as a community resource, and that UPG have undertaken to ensure that the current activities taking place at the centre will be able to remain, it is not envisaged that there will be any significant impact for local residents, therefore formal consultation is not deemed necessary. However, it will be a requirement that UPG consult with and work with Edward Woods Estate tenants to ensure that services and activities delivered from the centre continue to prioritise the needs of the estate.
64. 49 Brook Green:
65. As well as the ambition to transfer buildings to community ownership, the opportunity to expand affordable childcare at this site is an integral part of the redesign of children's centre services to protect both universal as well as targeted services (including 2 year old places). At present the two occupying nurseries deliver 32 places but with the full use of most of the rooms it could accommodate approximately 70 children of mixed ages (0-5).
66. A consultation was therefore held in June/July 2015 with the three occupying organisations to gauge their opinion on the future use of the building. All three services submitted a consultation response. Two of the organisations also chose to meet with Commissioning and Early Years Officers to discuss options prior to submitting their response. The findings from the Consultation are as follows:
- All three organisations expressed a wish to continue delivering services on site including delivery of 2 year old places
 - All three organisations agreed that management of the building through a community organisation would be a positive move
 - All three organisations agreed that strong links could be forged with Children's centres and other services aimed at families
 - All three organisations agreed that there was scope to expand childcare services but Brook Green Nursery provided the most comprehensive overview of how this could be achieved and expanded to provide places for under 2s to support working parents. They also gave good examples of other services that could support local families while bring in an income for the centre

EQUALITY IMPLICATIONS

67. A comprehensive Equalities Impact Assessment was undertaken as part of UPG's application for grant funding (3SIF, Cabinet Report September 2014), which indicated the Masbro Centre supports a broad range of residents from across all protected groups (age, disability, ethnicity, gender), as well as successfully targeting services to those with highest needs – e.g. clients from low income households and areas of deprivation.
68. Subsequent monitoring of UPG's grant funded services and its Children's Centre Provision confirms that UPG has an excellent track record in reaching priority cohorts of residents, and achieving positive outcomes.
69. A transfer of Edward Woods Community Centre and lease of 49 Brook Green will not alter the services delivered from these sites. Therefore, a further equalities impact assessment was not considered necessary for the purposes of this report. However, UPG will continue to be required to provide regular monitoring information on the take up of their services as part of their grant funded and commissioned services contracts.
70. Implications verified by Sue Spiller, Head of Community Investment. Tel: 020 8753 2483

LEGAL IMPLICATIONS

71. Legal implications – asset transfer

72. The Director of Law advises that the disposal of land is covered by the Local Government Act 1972, section 123. This requires the council to dispose of the land for the best consideration reasonably obtainable unless the Secretary of State's consent is given. A general consent was given in 2003. The council may dispose of land in the circumstances set out in the consent

“The specified circumstances are:

- a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;*
- i) the promotion or improvement of economic well-being;*
- ii) the promotion or improvement of social well-being;*
- iii) the promotion or improvement of environmental well-being”*

In addition the disposal must not be for more than £2,000,000 below the unrestricted value of the land.

73. It was necessary to value The Masbro Centre and Edward Woods Community Centre together to ascertain the value for the purpose of utilising the S.123 consent. The valuation approach for The Masbro Centre was to value the asset subject to the existing lease and assess the uplift in value for the premises if it were to be sold as freehold, restricted for community use.

74. The Director of Property and Building Management has secured external valuations of the properties and the combined value of the assets is to be over £2 million Therefore a formal application will need to be made under Section 123 which will take around 2 months to complete.

75. For information, it should be noted that the Council would be forgoing a possible income stream which could be up to £104,000 per annum (excluding the running and staff costs) likely to be generated from Edward Woods Community Centre.

76. Legal Implications: Masbro Centre

77. Freehold Transfer with restrictions – A disposal of the freehold will be subject to pre-emption rights to protect as much as possible the continuing community use and future detailed provisions of the transfer are outlined in appendix 1. Leasehold transfer with restrictions – It is easier to enforce a covenant in a lease. Further, the life of a lease is limited, and the Council would be able to review the position at the end of the lease.

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

79. Legal implications – Award of funding

80. It is understood that the proposal is to grant fund Urban Partnership Group (UPG) £115,660 pa for Edward Woods Community Centre and £55,566 pa for 49 Brook Green per annum for an initial term of 4 years 3 months (until 31st March 2021) with the option to extend for two further periods of 12 months each to manage the two sites. This will be secured through a service level agreement between the council and UPG. The proposed arrangement could be deemed in breach of the Public Contracts Regulations 2015 (the Regulations) because contracts for building and facilities management services that exceed the EU threshold for services, which is currently £164,176.00, are subject to the full rigours of the Regulations. It is worth noting that contracts for the acquisition or rental of land and rights over them are excluded from the Regulations.

81. In the event that the decision to award the proposed contract to UPG is challenged, the remedies available to an aggrieved bidder in respect of a direct award would include a claim for ineffectiveness (i.e. the cancelling of a contract) and such a declaration by the Courts could also include a civil financial penalty. The risk of a challenge can be mitigated by agreeing with UPG provisions that allow the Council to terminate the contract in the event it is declared ineffective.

82. Implications completed by: Kar-Yee Chan, Solicitor, Shared Legal Services, 020 8753 2772

83. **FINANCIAL IMPLICATIONS**

84. **Financial implications: Tax and regulatory considerations**

85. The Local Government Act 1972, section 123 requires the council to dispose of the land for the best consideration reasonably obtainable unless an exemption can be applied - either under specific consent from the Secretary of State or under the general consent in place since 2003. This has been addressed in the legal implications of this report. The general consent can only be applied up to a maximum of £2,000,000 below the unrestricted value of the land.

86. While it is anticipated that the assets will transfer for nil consideration, stamp duty may still be payable by the transferee. The duty payable would be based on the market value of the properties. The rate of stamp duty payable would be determined by the value of the property in question. Non-residential properties exceeding £500,000 attract stamp duty at 4 per cent. However, UPGs position is that as a charity, they would be able to claim charitable relief.

87. The following VAT implications apply:

88. Edward Woods Community Centre

89. As we receive exempt income from the centre, EWCC is already in our Partial Exemption calculation. Therefore, all costs incurred in relation to the transfer will be attributable to and included against the Council's partial exemption 5 per cent de-minimis limit. A breach of the partial exemption threshold could cost the Council upwards of £2,000,000. It is however anticipated that transfer costs should be minimal therefore posing little risk to the partial exemption limit.

90. MASBRO

91. Although there are exempt activities in the centre no exempt income received by the Council and UPG have managed this property for many years. The current lease is at a peppercorn. Currently there are no partial exemption implications. However, there are potential implications if significant amounts are spent on the asset, for example, refurbishing the centre prior to its transfer. In general, any VAT incurred on the refurbishment costs will be exempt-attributable and count against the authority's partial exemption 5% de-minimis limit. Again, such costs are expected to be minimal.

92. 49 BROOK GREEN

93. The partial exemption risk will also apply to the transfer of 49 Brook Green and given the proposal for the Council to meet running costs until 2021 the impact could be more significant. While costs would need to be carefully reviewed on a case by case basis the worst case is that the £147k identified would need to be added to the Council's partial exemption calculation. While the Council is likely to be able to contain this increase - based on current forecasts – it will naturally reduce headroom for other projects and initiatives where there is VAT exempt activity.

94. Implications completed by Christopher Harris, Head of Finance, Corporate Accountancy and Capital. Tel: 020 8753 6440

95. **Financial implications: Asset transfer**

96. The different models of community asset transfer considered in the appendix to this report will provide different financial savings to LBHF; different loss of rental value calculations and for some scenarios the possible loss of long term capital receipts. The table below shows the property financial implications in respect of each property part of the asset transfer programme:

Masbro Centre Freehold Transfer:	
Property Revenue savings	Loss of Capital receipts/Loss of rental income
<p>LBHF no longer has repairs and maintenance costs responsibility for the Masbro Centre, and would realise £64,000 savings for these costs and these would flow from 2021.</p>	<p>The current Masbro Centre lease expires in 2032 but the Council could benefit from the potential re-development value of the site in 17 years' time or if the Council operates its landlord break clause.</p> <p>Under the current UPG lease, there is no rent but if the property was let for a community or education use the potential market income could be in the region of between £100,000 - £115,000 per annum.</p> <p>Opportunity lost for LBHF and UPG to work together to realise a capital receipt to fund a new community centre and also housing units plus the opportunity to lever in section 106 funding or CIL investment</p>
Edward Woods Community Centre Freehold Transfer:	
<p>LBHF no longer has repairs and maintenance responsibilities and would realise £49,000 savings which would be reinvested into the corporate grants scheme.</p> <p>LBHF will provide a grant, which is the equivalent to the current budget for the centre, therefore no revenue savings will be secured until 2021</p>	<p>As above. The potential rental value for Edwards Wood Centre is £104,000 per annum (excluding building running and staff costs).</p>
49 Brook Green: lease reassignment/underlease:	
<p>UPG will be offered a full repairing lease for the property, with LBHF retaining the service charge costs until March 2021. LBHF will no longer have repairs or maintenance responsibilities for the site, and these savings will be reinvested into the corporate grants programme.</p>	<p>The council does not own the property therefore cannot realise a capital receipt. The council also does not currently collect rent for the property from any of the three occupants.</p>

97. In February 2015, a Cabinet Member decision was made for the Council to invest in a new boiler and associated equipment at the Masbro Centre in Spring 2015 at a cost of

£91,000, and UPG agreed to pay 50 per cent of these costs (£45,500), being repaid to LBHF over a 2 year period starting from 28th April 2015.

98. Implications verified/completed by Andrew Lord, Head of Strategic Planning and monitoring, tel.: 020 8753 2531
99. **Financial implications: award of grant funding**
100. Officers recommend 4.5 year (until March 2021) funding to UPG towards the facilities management and staffing costs of Edward Woods Community Centre, with the option of renewing this funding agreement for two further periods of 12 months each.
101. Officers recommend 4 years and 3 months (to March 2021) funding to UPG towards the facilities management costs of 49 Brook Green. The council will retain the service charge costs of the building until March 2021, and after this time will cap the level of service charge payable by UPG.

Item:	Full year
Edward Woods: running and R&M costs:	£40,960
Edward Woods: Salaries	£74,700
Total costs for Edward Woods	£115,660
49 Brook Green	£55,566
Total grant per financial year	£166,266

102. UPG would therefore be awarded a total grant of £706,630 (comprising £41,566 for 16-17 and £166,266 per financial year until March 2021).
103. During the proposed funding term, it is expected that UPG will secure external funding sources to continue their delivery of the Edward Woods Community Centre, and secure funds towards the running costs of 49 Brook Green. The Council will consider renewing the funding to UPG for the Edward Woods Community Centre, but pro-rata (based on the capacity of the property and evidence of unique user numbers) at a level comparable with grant funding awarded to groups delivering other community centres in the borough.
104. The budget for this funding would be generated through the existing budgets for Edward Woods Community Centre and 49 Brook Green, including funds released from the Amey contract, which will be transferred/moved into the council's main grants programme budget.
105. The current income target for the Edward Woods Community Centre will need to be removed, as the income generated would in future be received by UPG as the leaseholder of the property.
106. Implications verified/completed by Andrew Lord, Head of Strategic Planning and monitoring, tel.: 020 8753 2531

IMPLICATIONS FOR BUSINESS

107. The provision of quality community centres in the borough offers the opportunity for both Masbro Centre and Edward Woods Centre to provide space to additional aligned organisations and businesses to rent/lease space to deliver their services and activities. Both sites currently accommodate a large range of local organisations, delivering a variety of services to local residents – including training and education, employment support, health and wellbeing services, sports and physical activity classes, including the provision of space to local schools and clubs for activities for children.

108. The continued provision of both sites for these purposes, and any potential expansion of this provision has the potential to support local businesses to establish and thrive, and the council will support UPG to develop their offer to local businesses and organisations.
109. Business implications verified by Antonia Hollingsworth, Principal Regeneration Officer, Economic Development Learning & Skills, HRD. 020 8753 1698

HR IMPLICATIONS:

110. The Council's proposal as currently presented is likely to be construed in law as amounting to a service provision change for the purposes of regulation 3(1)b of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE'), thus constituting a relevant transfer for the purposes of TUPE.
111. The Council is also obliged to follow the Best Value Authorities Staff Transfer (Pensions) Direction 2007 (made under s101 of the Local Government Act 2003) and must provide pensions protection for its staff when transferring a service to an external provider. However UPG already has admitted body status to the Council's Local Government Pension Scheme which will ensure continuity of pensions provision for the staff transferring.
112. HR Implications verified/completed by: John O' Rourke, Head of People Management tel.: 020 8753 1700).

RISK MANAGEMENT

113. The transfer of a community asset is about giving local people and organisations greater control over the future of their area and community. This recognises the potential benefit that transfers of assets can bring to the community, to the organisation receiving an asset transfer and to the Council.
114. Changing the management of an asset can potentially extend the use of a building or piece of land therefore increasing its social value in relation to the people that benefit and the range of activities it offers. It may offer additional opportunities to secure resources and attract investment within an area, and empower local residents and communities by raising aspirations and sense of belonging. In this way the local economy, environment, and third sector (comprising the community, voluntary and social enterprises) can be strengthened.
115. Implications verified/completed by: Michael Sloniowski, Shared Services Risk Manager, 020 8753 2587

PROCUREMENT AND IT STRATEGY IMPLICATIONS

116. There are no immediate procurement implications arising from this report. Should at some point in the future the Council, as a contracting authority, wish to commission Urban Partnership Group to provide public services, the commissioning of those services will need to be undertaken in accordance with the Council's Contracts Standing Orders, and the Public Contracts Regulations 2015 should the financial sums involved require this.
117. Implications completed by John Francis, Interim Head of Procurement (job-share), Chief Executive's Department 020-8753-2582.

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT


NONE.

LIST OF APPENDICES (contained on the exempt report):

Appendix 1: Options and risk analysis

Appendix 2: Financial information

Appendix 3: 49 Brook Green draft Heads of Terms

<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET DECISION</p> <p align="center">7 NOVEMBER 2016</p>	
<p>APPROVAL TO DIRECTLY AWARD THE ELM GROVE EXTRA CARE CONTRACT</p>	
<p>Report of the Cabinet Member for Health & Adult Social Care – Councillor Vivienne Lukey</p>	
<p>Open Report</p> <p>A separate report on the exempt part of the agenda provides exempt information in connection with this report.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: Hammersmith Broadway</p>	
<p>Accountable Director: Liz Bruce: Executive Director for Adult Social Care and Health</p>	
<p>Report Author: Julia Copeland Strategic Commissioner</p>	<p>Contact Details: Tel: 020 8753 1203 E-mail: Julia.Copeland@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 This report seeks approval to directly award a contract to the company named on the exempt report for the Elm Grove Extra Care contract from 1 December 2016 to 31 May 2018.
- 1.2 Elm Grove is an Extra Care Housing service providing accommodation and 24-hour care and support to mostly older vulnerable people with a range of physical and mental health conditions. The service provided is good quality; popular and well-regarded by customers, their families, and other stakeholders.
- 1.3 The contract expires on 30 November 2016; the Council is currently developing its wider procurement strategy for future Extra Care services and

therefore it is recommended the Council directly awards a contract to the company named on the exempt report to enable service continuity to vulnerable residents at Elm Grove while the wider procurement strategy is developed and implemented.

- 1.4 It is also further recommended that a Core and Flexible hours' service model is piloted at Elm Grove during the period of the proposed direct award. This will enable council officers to develop a better understanding of how we can improve personal outcomes, choice and control and ensure compliance with the Care Act 2014 in future local Extra Care services.

2. RECOMMENDATIONS

- 2.1 To approve a prior waiver of the Contract Standing Orders of the requirement to seek competitive tenders to enable the Council to directly award a contract to the company named on the exempt report for the period 1 December 2016 to 31 May 2018.

3. REASONS FOR DECISION

- 3.1 It is in the Council's best interest to waive the Contract Standing Orders of the requirement to seek competitive bids because the direct award of a contract to the company named on the exempt report will give the Council time to develop and implement a wider procurement strategy for Extra Care housing (ECH) services to ensure improved service outcomes and value for money in the future.

4. PROPOSAL AND ISSUES

Background

- 4.1 ECH is housing designed to meet the needs of usually older people who require 24-hour care and support because of their physical, learning, mental ill-health or disability. People who live in ECH have their own self-contained home, their own front door, and a legal right to occupy the property.
- 4.2 ECH enables the Council to meet several strategic priorities including the delivery of flexible, integrated services that enable residents to exercise choice and control in their lives; the promotion of health & well-being and the use of local networks and services to meet people's needs. The social benefits of ECH are well-documented and include:
- Better quality of life
 - Access to leisure & social activities reduce social isolation and improve well-being;
 - Well-designed environment can be a home for life; older people can remain in their own home even as they require increasing care and support.

4.3 Currently, there are four ECH schemes in LB Hammersmith & Fulham as detailed in Table 2.

Table 2

Scheme name	No. people/ units	Unit Type	Location	Contract End Date
Elgin Close	39 people in 36 units	33 x 1 bed 3 x 2 bed	Shepherds Bush	30.6.27
Elm Grove	14 people/ units	14 x Bedsits	Hammersmith	30.11.16
Mary Seacole House	34 people in 32 units	32 x 1 beds	Ravenscourt Park	21.1.31
Olive House	38 people in 36 units	34 x 1 beds, 2 x bed	Sands End	1.12.18

4.4 Elm Grove is the smallest of the current ECH schemes providing 14 bedsits, primarily for people aged 55 years. All referrals are via adult social care and all individuals must have assessed eligible social care needs.

4.5 Officers are proposing the Council pilots a new service model at Elm Grove during the period 1.12.16 to 31.5.18 as set out in section 4.8-4.10.

Future ECH Procurement Strategy

4.6 To achieve the best outcomes for residents and the Council, officers are developing a wider procurement strategy for ECH services. A SWOT¹ analysis indicates the likely recommended option will be to procure an ECH Framework Agreement or Dynamic Purchasing System (DPS) to enable future ECH contracts to be called-off when required.

4.7 Officers will be seeking approval for this wider procurement strategy on 5 December 2016 from LBHF Cabinet. If approved, the Framework Agreement or DPS is anticipated to be available from July/August 2017.

Future Service/Contract Models

4.8 All existing ECH services have block contract arrangements. This type of contract is no longer the best model for ECH services as it does not support the choice and control agenda as required by the Care Act 2014 nor does a block contract offer the flexibility required to be responsive, transparent, and person-centred.

4.9 An options appraisal indicates a Core and Flexible (add-on) service is likely to be the optimum model to achieve improved service outcomes; increase customers' choice and control over how they meet their identified needs; ensure greater transparency of the breakdown of ECH costs and which services residents are receiving and deliver better value for the Council. This proposed model of care and support will be new to ECH in LBHF and officers recommend we pilot this model at Elm Grove during the period of the proposed direct contract award.

¹ Strengths, Weaknesses, Opportunities, Threats

- 4.10 The proposed Pilot Core and Flexible service at Elm Grove will comprise the following services:

Core Element	Flexible Element
<p>The core element will be provided by the company named on the exempt report and ensures 24-hour staffing on site always. Duties include:</p> <ul style="list-style-type: none"> • Quality assurance • Assessment, care & support planning • Social inclusion • Medication management • Family & professional liaison • Health & safety • Responding to emergencies and unplanned care needs 	<ul style="list-style-type: none"> • Planned personal and domiciliary care hours for individual customers and based on assessed eligible needs. • Customers can use their personal budget to purchase care from the company named on the exempt report or elsewhere.

Quality and Customer Feedback

- 4.16 The contract is delivering good outcomes. Recent customer feedback confirmed high levels of satisfaction with the service.

Proposed Procurement Timetable for Elmgrove

- 4.17 The timetable for a future procurement for Elm Grove is set out below:

Activity	Date
Cabinet approval of wider ECH procurement strategy	5.12.16
Establishment of Framework or DPS (if approved)	July/August 2017
Preparation of Elm Grove call-off documentation	August 2017
Issue Tender	Sept 2017
Tender submission date	Oct 2017
Tender evaluation/governance	Oct/Dec 2017
Tender Award	Jan 2018
Service implementation	Jan – April 2018

- 4.18 It should be noted that prior to any subsequent recommendations to Cabinet regarding the future commissioning and procurement strategy for Elm Grove, a further review of the service will be necessary during the period of the proposed direct award to understand the Council's requirement at that time.

5. OPTIONS AND ANALYSIS OF OPTIONS

Do Nothing

- 5.1 The Elm Grove contract is expiring on 30 November 2016. Previously it was considered that Elm Grove would not be included in the future ECH provision

in H&F after 2016, however this is no longer the case and the service is popular and well-regarded by customers and stakeholders. There will be a risk to vulnerable residents if the service is not extended. Therefore, this option is not recommended.

Extend the contract for 6-months and close the service

5.2 As the Elm Grove contract is ending there is the opportunity to consider if there is an ongoing requirement for the service. If the service were to be closed the contract would need to be extended by at least 6 months to enable the decant of Elm Grove.

5.3 A recent review of the service has highlighted high demand for the service and there is insufficient capacity in the other ECH schemes to be able to easily move Elm Grove residents. The service is achieving good outcomes and is popular with residents; family and stakeholders. For these reasons this option is not recommended.

Make a direct award of a contract to the company named on the exempt report to continue services on revised terms to 31 May 2018

5.4 For the reasons set out in section 4, it is proposed to make a direct award of a contract to the company named on the exempt report.

6. CONSULTATION

6.1 No formal consultation has been carried out regarding the recommendations in this report. However, feedback from residents in Elm Grove and other ECH schemes gained from a recent customer engagement exercise has been used to inform the recommendations in this report. The company named on the exempt report agrees with the recommendations in this report.

7. EQUALITY IMPLICATIONS

7.1 We do not consider there will be any adverse equality implications for protected groups because of the proposals in this report. Overall the impact on older people is adjudged as neutral or positive as service continuity and improvements will be secured and more personalised services delivered.

8. LEGAL IMPLICATIONS

8.1 The ECH services described in this report are classified as Social and Other Services under the Public Contracts Regulations 2015 (the Regulations). The Council fulfilling its transparency and non-discriminatory obligations is permitted to undertake appropriate procedures to arrange delivery of such services including a direct award. In addition, the value of the contracts is below the threshold of £625,000 stipulated in the Regulations for these types of contracts. This sub-threshold value further reduces the degree of Regulation that applies to awarding the contracts to the extent that there is no obligation under the Regulations to advertise the contracts unless there is reason to believe that EU wide cross border interest is there in such services.

- 8.2 It cannot be said with certainty that there is no risk of challenge, however any cross-border interest in these contracts is unlikely, i.e. European providers would not be interested in bidding. Services of the type described in this report offering ECH services tend to be delivered by local providers which do not attract cross border interest.
- 8.3 In mitigation, any risk of a successful procurement challenge is reduced since this is an interim arrangement and that the direct award is to permit continuity of services whilst the requirements of the Care Act 2014 are implemented and a strategic review of ECH services is undertaken. During the proposed extension period, a competitive tender will be conducted with new contract expected to be awarded in early 2018.
- 8.4 A waiver from the Contract Standing Orders is needed from the requirement that competitive tenderers be obtained prior to award. The report mentions that the Council has statutory obligations to continue to deliver such services under the Care Act 2014 and it is justifiable to seek a waiver of the Contract Regulations for value for money and continued satisfactory service delivery reasons to extend the current contract for 18 months while ECH service requirements are assessed from such pilot prior to undertaking a competitive procurement.
- 8.5 Implications verified/completed by: Babul Mukherjee, Senior Solicitor (Contracts), 02073613410

9. FINANCIAL IMPLICATIONS

- 9.1 As set out on the exempt part of the agenda.

10. IMPLICATIONS FOR BUSINESS

- 10.1 As set out on the exempt part of the agenda.

11. PROCUREMENT IMPLICATIONS

- 11.1 The author of the report is seeking approval to make a direct award of a contract to the company named on the exempt report for the provision of extra care services at Elm Grove. The proposed contractual arrangements would run from 1st December 2016 to 31st May 2018, a duration of 18 months and have a total value of £449,861.
- 11.2 The services to be provided under the proposed contractual arrangements fall under the category of Social and other services as defined by the Public Contracts Regulations 2015. Such services are only subject to the provisions of the regulations when they exceed the financial threshold of £589,148. Accordingly, the proposed contractual arrangements do not fall under the Regulations and are therefore classified as “unregulated”.

- 11.3 H&F Contract Standing Orders Section 3: Waivers and Exemptions provides for the requirement to expose a service to commercial competition to be waived if one of five grounds is satisfied:

A prior written waiver to these CSO's may be agreed by the Appropriate Persons if they are satisfied that a waiver is justified because it is in the Council's overall interest.

- 11.4 It is considered that the author of the report has demonstrated that a direct award of a contract to the company named on the exempt report is in the council's overall interest. It is further noted that the author has demonstrated the services provided by the company named on the exempt report represent value for money and is delivering good outcomes for residents.
- 11.5 As the value of the waiver is greater than £100,000 approval is requested from Cabinet.
- 11.6 Implications completed by: Tim Lothian, Procurement Officer 020 8753 5377 and verified by Joanna Angelides, Procurement Consultant, 0208 753 2586.

12. RISKS

- 12.1 The Adult Social Care Department maintains a register of risks which are reviewed periodically by the Senior Leadership Team. Market Testing is a Strategic risk on the Council's Shared Services Risk Register, risk number 4. This is described as delivering high quality commissioned services at the best cost to the taxpayer, compliance with public procurement regulations and potential sanctions where this has not been done.
- 12.2 Implications verified by Mike Sloniowski Shared Services Risk Manager Telephone 02087532587

BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None

Agenda Item 7

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>7 NOVEMBER 2016</p>	
<p>CREATION OF H&F SOCIAL LETTINGS AGENCY</p>	
<p>Report of the Cabinet Member for Housing – Councillor Lisa Homan</p>	
<p>Open Report</p> <p>A separate report on the exempt part of the agenda provides exempt information in connection with this report.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Consultation:</p> <p>Housing Department</p>	
<p>Wards Affected: ALL</p>	
<p>Accountable Director: Jo Rowlands - Director for Housing Growth & Strategy</p>	
<p>Report Author:</p> <p>Labab Lubab – Housing Opportunities Manager</p>	<p>Contact Details:</p> <p>020 8753 4203 labab.lubab@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the current conditions in the private rented sector, the operations of private letting agents and the impact of these on the Council's housing property procurement service.
- 1.2. The report sets out recommendations for establishment of a social lettings agency in Hammersmith and Fulham, including the type of products it should offer and the marketing needed to increase its chances of success.

1.3. The report seeks Council approval for the proposed second phase of the project and the expected budgetary requirements thereof.

2. RECOMMENDATIONS

2.1. That the Council establishes a social lettings agency that will co-locate with the existing Housing Property Procurement service.

2.2. To approve expenditure of £200,290 to initiate phase two of the project that will include setting up, recruiting to, marketing and launching the social lettings agency funded from an invest to save bid.

2.3. To delegate to the Cabinet Member for Housing, in consultation with Director of Housing Growth & Strategy and Commercial Director, consideration of the options and the decision to establish the social lettings agency from the Council's Local Authority Trading Company.

2.4. To delegate to the Cabinet Member for Housing, in consultation with Director of Housing Growth & Strategy and Commercial Director, to agree the project plan for phase two and to progress setting up the agency.

3. REASONS FOR DECISION

3.1. Members have expressed interest in developing a Council backed organisation that will provide better access to accommodation in the private rented sector for the purposes of homelessness prevention and to those requiring temporary accommodation. The Agency will work to help vulnerable tenants sustain their tenancies, and reduce the risk for landlords to enable them to let their properties to households in receipt of welfare benefits.

3.2. Through the agency, the Council will aim to compete with private letting agencies in the private rented sector by providing tenant sourcing and letting services at competitive fees and rates.

3.3. This report proposes establishment of a Social Lettings Agency in the Borough which is part of the Council's commitment to improve housing standards in the private rented sector as outlined in its Housing Strategy, *'Delivering the Change We Need in Housing'*.

4. INTRODUCTION AND BACKGROUND

4.1. The private rented sector in Hammersmith and Fulham has grown considerably over the last decade. Today, it accounts for approximately 27,500 homes in the borough - roughly a third of all housing.

4.2. The increased demand for homes from tenants and the short supply, contributed to deterioration in housing conditions in parts of the market. Some landlords saw little incentive to improve the standards of their homes because desperate tenants compromised their expectations to try to secure a home.

- 4.3. This booming rental market has also priced many H&F residents and workers out of the borough and adversely affected the Council's ability to use the private rented sector to bridge the gap between the demand for, and the supply of, social housing.
- 4.4. The Council had some success in the past in using private rented sector properties for this purpose. However, changes to Housing Benefit and Local Housing Allowance (LHA) levels have compounded this imbalance. (See **Appendix 1**¹)
- 4.5. This gap between rising rents and low benefit levels resulted in considerable financial strain on the Council. Because, at the same time, there has been a general increase in demand for temporary accommodation, as demonstrated in the table below;

Year	2012/13	2013/14	2014/15	2015/16
Homeless Acceptances	283	385	444	406

- 4.6. Therefore, the Council has to be more creative than ever to increase its private rented sector property portfolio to meet this demand.
- 4.7. The Council's housing strategy commitment to improve housing standards in the private rented sector, provides an opportunity to do this and affect change in the way the Council operates in the private rented market.
- 4.8. In November 2015, the Council decided to undertake a range of initiatives and to consult on several proposals including establishing a Social Lettings Agency in the borough.
- 4.9. The proposed Social Lettings Agency features in the Smarter Budgeting programme as part of the Decent Homes outcome and it also strongly links to the Reducing Homelessness outcome.
- 4.10. The agency's core objectives are to source properties and raise the housing standards in the private rented sector. It will also aim to generate income that can reduce the Council's spend on temporary accommodation.
- 4.11. In the future, consideration will be given to expanding the operations of the agency to include sales and acquisitions to compliment the Council's Decent Homes outcome proposal to act as a private landlord.
- 4.12. To establish a successful agency in H&F, we have undertaken;
1. Analysis of the private rented sector (**Appendix 2**²)
 2. Several study visits to existing social letting agencies in London (**Appendix 3**³ contained on the EXEMPT report).
 3. Considered the practices of some of the private letting agents in the borough (**Appendix 4**⁴).

¹ Appendix 1 – Council's Current Property Procurement Operation

² Appendix 2 – Private Sector Analysis

³ Appendix 3 – Study Visits [EXEMPT]

⁴ Appendix 4 – Private Letting Agencies

- 4.13. This report considers the proposed establishment of a social lettings agency in the borough to facilitate better access to the private rented sector for people, including those who depend on welfare benefits and those in need of housing more generally.
- 4.14. The Council want to build on the success of the existing Leasing Scheme using the skills and experience of the current team and taking the opportunities from the networks and relationship already established with local landlords.
- 4.15. At the same time, the Council needs to modernise the way property acquisition is carried out and improve on seizing opportunities with a sizable private rented sector that continues to grow.
- 4.16. To augment the progress of the Council's exiting Leasing and Direct Lets service combined with new commercial property management services, three separate products are proposed (**Appendix 5**⁵ contained on the EXEMPT report):
- Leasing with Full Management
 - Assured Short-hold Tenancies (ASTs) with Full Management
 - ASTs with Matching Service only
- 4.17. The report will outline the recommended approach the Council should adopt to give the social lettings agency the best chance of success. The proposed structure of the social lettings agency can be found in **Appendix 6**⁶ (contained on the EXEMPT report).

5. SOCIAL LETTING AGENCIES (SLAs)

What are Social Letting Agencies

- 5.1. Social letting Agencies operate in a similar way to high street lettings agents and offer very similar products and services.
- 5.2. Agencies work to find landlords seeking tenants for their properties and match them with appropriate people in need of housing. Agents typically arrange the tenancies and provide a range of services attractive to landlords who have small/medium sized property portfolios.
- 5.3. In exchange for this menu of services, social lettings agencies usually retain a percentage of the rent charged, although this is usually significantly less than private letting agencies.
- 5.4. The fundamental difference between private agencies and social letting agencies, is that the latter will offer specialised services designed to help vulnerable people maintain their tenancies and stay in their homes. This provides landlords with additional security and mitigate the risk of housing vulnerable people, which is vitally important in preventing homelessness.

⁵ Appendix 5 - Social Lettings Agency Products & Services [EXEMPT]

⁶ Appendix 6 - SLA Structure and Financial Details [EXEMPT]

5.5. SLAs achieve this in different ways, the most effective of which is having dedicated tenancy sustainment officers who work with tenants and landlords to sustain and renew tenancies. They forge and maintain links with support services for the tenants to ensure they are well-equipped and can cope with the responsibilities of managing a household.

6. OPTIONS

6.1. Firstly, the Council can opt to continue with the current housing property procurement operation and allocate the required funding to subsidise rising market rents. However, this is not sustainable in the long term because current projections show that funding available for incentive payments to landlords that currently prop-up LHA-linked rents will be decreased next year.

6.2. It is also important to note that Housing Property Procurement service was able to breakeven in the last financial year following the Department for Communities and Local Government's £200,000 ad-hoc payment from a £5m fund announced in December 2015⁷. This funding however is unlikely to be renewed and cannot be relied upon.

6.3. Secondly, the Council may decide to reinvigorate the current property procurement operation under the brand of a 'social lettings agency' and market the service and the new brand. This model has been implemented in several local authorities with varying degrees of success because in effect, it is little more than a re-branding exercise. The initial short-term gain from increased publicity will raise the profile of the service. However, the constraints and challenges highlighted above, will still apply.

6.4. The third option, is the Council establishes a social lettings agency with a new and unique brand that operates as a commercial vehicle from the Council's Local Authority Trading Company. The SLA would continue to be managed within the Housing Options division to maintain links to key services such as temporary accommodation, HB Assist and h&f Home Buy.

6.5. This agency will procure properties for customers in housing need and those threatened with homelessness as does the current housing property procurement service, but it will also procure properties for private tenants seeking rented accommodation more generally; thus competing with private letting agencies in H&F and beyond.

6.6. The objective of this approach is to generate income to cross-subsidise the agency's other activities and enhance the package offered to landlords who house benefit-dependent customers.

6.7. Particular emphasis should be placed on the ethical and responsible approach the agency will operate in H&F to differentiate it from competitors.

⁷ **DCLG Press Release** '*Radical package of measures announced to tackle homelessness*'
<https://www.gov.uk/government/news/radical-package-of-measures-announced-to-tackle-homelessness>

6.8. This type of set up will require start-up funding from the Council, but it will aim, at a minimum, to subsidise its own activities in the future.

7. RECOMMENDATION – CREATION OF H&F SOCIAL LETTING AGENCY

7.1. This reports recommends the Council creates a social lettings agency with a unique brand that will focus on its ethical and responsible approach in managing properties for landlords as well as providing a transparent support service for tenants.

Why Social Lettings Agency

7.2. Currently, the majority of leased properties are coming through letting agents who charge the Council a finder's fee. However, the cost of working with letting agents is not sustainable for the Council in the long term.

7.3. The SLA will supplement the work with existing partner letting agents as well as invigorate the direct marketing and property procurement efforts of the Council itself.

7.4. The SLA will have several unique selling points for landlords and tenants;

- It will have the ability to transfer the risk of letting to welfare-dependent tenants onto itself because it will manage a diversified portfolio of properties and have provisions for managing bad debt.
- It is backed by the Hammersmith and Fulham council which is the largest landlord in the borough and is a stable, reputable and established organisation with a considerable sphere of influence in the market place.
- Its staff will have skills and capacity needed to support tenants to manage their households and sustain their tenancies and educate and train new landlords on their roles and responsibilities.
- It will have established links with Council services such as HB Assist team which specialises in helping tenants sustain their tenancies through welfare benefit advice and training, employability support and, in some cases, provide discretionary payments to landlords in the event of accumulation of rent arrears.
- Its staff will have strong links to the Council's home ownership service, H&F Home Buy, which holds a register of over 8,000 people seeking properties to buy and/or rent who can be reached quickly and effectively. They include more than 2,700 people in key professions such as teachers, clinical staff, Ministry of Defence personnel and Fire and Rescue services.
- Its staff will have access to considerable knowledge and experience within the Council.

Key Features of Social Lettings Agency

7.5. As a commercial enterprise, the agency will be developed to address certain gaps that currently exist in the rental market particularly concerning ethics and culture of letting agents. We have outlined the marketing proposals and costs in **Appendix 7**⁸ (contained on the EXEMPT report).

7.6. This is particularly important because the lack of statutory regulation of letting agents has given rise to unscrupulous practices in the sector which resulted in a general assumption amongst tenants and landlords and the wider public that estate agents are typically dishonest. An Ipsos-Mori poll published in January 2016 showed that only 25% of those polled trusted an estate agent to tell the truth.⁹

7.7. It is therefore crucial to the success of the Social Letting Agency to distinguish itself from the competition through adoption of a strong, clear and impactful mission statement and a robust business and marketing plans to build trust and attract landlords and tenants. These should feature;

- Emphasis on the Council's property management expertise as the borough's biggest landlord
- Clear commitments on how the agency will work with landlords and tenants including key undertakings such as being communicative, flexible and empathetic.
- Attractive payment packages such as rent paid in advance, guaranteed rent during void periods and assurances of speedy and efficient rent payments to landlords.
- That it will be responsive and effectively manage eviction processes for leased properties and a guarantee of returning the asset to its owners in a satisfactory condition
- Transparent tenant sourcing and vetting processes and providing information about the tenants who have identified supports needs and provision of on-going tenancy support for vulnerable tenants
- Flexible leasing arrangements to allow portfolio owners the ability refinance their properties with lenders every 3-5 years.

8. ACQUISITION TARGETS

8.1. Setting accurate forecasts on the number of properties a new Social Lettings Agency procures and manages will be essential for a successful business model. Realistic targets enable the Council to make practical plans for financial resources and operational arrangements to support the implementation and growth of the service.

⁸ Appendix 7 - Marketing Proposal and Financial details [EXEMPT]

⁹ Ipsos MORI Veracity Index 2015: Trust in Professions

<https://www.ipsos-mori.com/researchpublications/researcharchive/3685/Politicians-are-still-trusted-less-than-estate-agents-journalists-and-bankers.aspx>

- 8.2. The current private rented market prices and our proposed Lease Fee will of course be crucial in the success of a Leasing Scheme, but equally, the size of the private rented sector and the number of properties that become available on the market each year is a key factor.
- 8.3. Detailed research into a profile of the current market has been carried out and a snapshot reveals a high number of properties on the market indicating high annual turnover rates.
- 8.4. Analysis was carried out to identify the number of properties that become available through Property Website listings each year. The research excluded all premium properties with rents above the Council's reasonable price range to reveal that approximately 10,000 private rented properties become available to rent in Hammersmith and Fulham each year.
- 8.5. Despite the challenging private rental sector, it is recommended that the Social Lettings Agency set an annual target of procuring 500 properties across its products which is the equivalent of 5% of the properties that become available in borough.
- 8.6. The current Housing property procurement function operates within the budget set for Housing Options. We have therefore outlined the potential income that can be generated by the new function of the social lettings agency. This is the property management and matching service that will compete with private letting agents' offers.
- 8.7. In **Appendix 8**¹⁰ (contained on the EXEMPT report), we have identified the key markets and potential income generation streams. We also used average rent values to determine the potential gross income from rental streams alone in three scenarios;
- Business plan 1 (baseline) – In-borough Leasing, Property management and matching products
 - Business plan 2 – In-borough Leasing and focusing Property management and matching to the most expensive area in the borough (W6)
 - Business plan 3 – Out-of-borough Leasing and in-borough Property management and matching products.
- 8.8. Additional products for the property management and matching service, such as inventory checks and, tenancy arrangement/renewals, will supplement this income and detailed planning is currently being undertaken.
- 8.9. The agency should set up and convene a minimum of two focus group sessions in the first year of operation with tenants and landlords seeking their participation and feedback in designing some of the features of the services on offer.
- 8.10. The agency should aim to obtain exceptional customer satisfaction rating across all services from users and stakeholders to boost the profile and the brand of the agency.

¹⁰ Appendix 8 - Key Markets, Income Generation & Business Plans [EXEMPT]

8.11. It is recommended that a review of the agency's operations is undertaken in the fourth quarter of the first financial year of full operation to analyse performance. It is expected that efficiencies can be derived from the agency in the future.

9. LEGAL IMPLICATIONS

9.1. There are no legal implications arising from the proposed social lettings agency set up.

9.2. *Legal comments added by David Walker Principal Solicitor, 020 7361 2211.*

10. FINANCIAL AND RESOURCES IMPLICATIONS

10.1. This report recommends using the Council's Local Authority Trading Company to procure housing opportunities (via a Social Lettings Agency) for Hammersmith & Fulham private & social tenants. The trading company will retain responsibility for funding annual deficits should they arise, and will be beneficiary of surpluses generated.

10.2. The award of government funding in 2015/16 which resulted in the existing Housing Property Procurement Service spending to budget suggests an underlying budget under-provision of £200k. If not addressed, General Fund savings to support the under-provision will need to be identified.

10.3. The outlay in addition to existing budgets required by the recommendations in this report is £200k, of which £105k is one-off revenue expenditure and the remaining £95k is recurring revenue spend.

10.4. In order to determine whether the financial investment delivers value for money, a detailed business plan supporting these proposals would be required: this is in the process of being finalised.

10.5. The assumptions inherent within the business plan (specifically capacity and pricing) should be stress-tested to determine the tolerances within which the proposals remain sensible.

10.6. However, as an indication were the Agency to deliver 40 private lettings (as indicated in Appendix 5 contained on the EXEMPT report) this would generate £99k in additional income which could then be used to fund the acquisition of 33 units with 2 or 3 bedrooms for social let .

10.7. Evenly split between 2 & 3 beds (and using the average subsidy requirements outlined in Appendix 8 contained on the EXEMPT report), the additional 33 units would result in annual revenue cost avoidance of approximately £237k - after taking into account the proportion of social tenants in receipt of housing benefit (55%).

10.8. This would be repeated for each additional 40 private lettings converted into 33 social lettings, so long as the placed tenants remain with their chosen landlord.

10.9. Any such cost avoidance would be contingent on an improved performance in acquiring socially rented units, for which there was an £80k underspend against the dedicated fund in 2015/16. That underspend would, in itself have been sufficient to

acquire 26 units with 2 or 3 bedrooms for social letting with associated cost avoidance of approximately £180k.

10.10. *Implications verified/completed by: Paul Gulley, Head of Financial Investment & Strategy, 020 8753 4729*

11. IMPLICATIONS FOR BUSINESS

11.1. Establishing a social lettings agency in H&F will increase the competition for properties in the private rented sector.

11.2. Given the demand for rented accommodation, the borough can absorb a social lettings agency with limited impact on the commercial lettings sector. Please see **Risk 7**.

11.3. *Comments added by Antonia Hollingsworth, Principle Business Investment Officer 0208 753 1698.*

12. RISK MANAGEMENT & EXIT STRATEGY

12.1. Break clauses should be inserted in lease agreements, this provides the Council with the ability to terminate leases in the event that the agency is no longer viable.

12.2. The Council can seek to negotiate with letting agents and suppliers to acquire and manage the properties on its behalf.

12.3. The Council will vacate properties and return them to the landlords as per the terms of the leases. This is contingent on the Council being able to source alternative accommodation to move the tenants and cover any costs resulting from breaking lease agreements.

Risk	Comments	Impact (High / Medium / Low)	Mitigation
<p>1. Changes to Housing Benefit and Local Housing Allowance rates. Reduction of Housing Benefit rates to mirror Local Housing Allowance rates and the advent of Universal Credit</p>	<ul style="list-style-type: none"> • Reduction of benefits will adversely affect benefit claimants and the rents offered to landlords to lease their properties for this client group. • LHA (30th Percentile) rates will remain at the April 2015 levels and frozen from 2016/17 to 2019/20, which will further widen the disparity between the market rents and benefit rates. • Overall Benefit Cap – Non-exempt households will have their total benefits (subsistence benefits e.g. JSA(IB), Income Support, Child Tax Credit, etc. and Housing Benefit) capped to £442.31 per week for couples/single parents and £296.35 for single people in London from November 2016. The larger the family size, the higher the rent shortfall. • Universal Credit (UC) – combining 6 benefits, including housing benefit, into one benefit payment that is awarded direct to the claimant’s bank account in one monthly payment. Tenants are then responsible for passing the UC Housing Cost (replacing Housing Benefit) on to their landlord. 	<ul style="list-style-type: none"> • High 	<ul style="list-style-type: none"> • Regular monitoring of the financial performance of products and take actions such as varying or terminating leases when appropriate. • H&F’s HB Assist service is dedicated team of specialist officers providing welfare reform/benefit assistance, employability support, tenancy sustainment advice, landlord negotiations support, Discretionary Housing Payment (DHP) awards/support and UC online claiming assistance or Alternative Payment Arrangement applications for vulnerable tenants, to mitigate the potential impacts of Universal Credit and Overall Benefit Cap. • Tenant training and robust vetting process – nomination to properties subject to attending private rented sector tenancy induction or awareness training and passing credit checks and affordability assessment

2. Competition with private letting agents	<ul style="list-style-type: none"> • Potential for enhanced offers to landlords. • Improvement to practices in the private rented sector. • Depletion of pool of available properties 	<ul style="list-style-type: none"> • Medium 	<ul style="list-style-type: none"> • Monitor and Review
3. Competition and Resistance from other boroughs	<ul style="list-style-type: none"> • Population shifts to more affordable parts of London. • Increased competition for properties. • Increased choice for tenants • Depletion of pool of available properties 	<ul style="list-style-type: none"> • Low 	<ul style="list-style-type: none"> • Monitor and Review
4. Financial risk to the Council	<ul style="list-style-type: none"> • The agency does not meet the required targets or combination of the other risks renders the proposition not viable • Growth bid in staffing of £95K • Marketing budget of £50k 	<ul style="list-style-type: none"> • Medium 	<ul style="list-style-type: none"> • The Council is able to exit the market and bring the operation back 'in-house'.
5. Reputational risk	<ul style="list-style-type: none"> • The agency performs poorly 	<ul style="list-style-type: none"> • Low 	<ul style="list-style-type: none"> • Robust Marketing and branding plans to be put in place to ensure particular emphasis on customer-focus and business ethics can still have a positive effect on customer and stakeholder satisfaction.
6. Competition from Mayor of London's commitment to establish 'London wide social letting agency' 7. Competition with Private Lettings Agency	<ul style="list-style-type: none"> • Mayoral manifesto commitment • Potential for enhanced offers to landlords • Improvement to practices in the private rented sector • Depletion of pool of available properties 	<ul style="list-style-type: none"> • Low • Medium 	<ul style="list-style-type: none"> • Monitor and Review. Provides opportunity to use a successful H&F model. • Monitor and Review

Implications completed by: Labab Lubab – Housing Opportunities Manager, Ext: 4203.

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 – Council’s Current Property Procurement Operation

Appendix 2 – Private Sector Analysis

Appendix 3 – Study Visits [contained on the EXEMPT report]

Appendix 4 – Private Letting Agencies

Appendix 5 – Social Lettings Agency Products & Services [contained on the EXEMPT report]

Appendix 6 – Social Letting Agency Structure and Financial Details [contained on the EXEMPT report]

Appendix 7 – Marketing Proposal and Financial details [contained on the EXEMPT report]

Appendix 8 – Key Markets & Income Generation [contained on the EXEMPT report]

Appendix 1 – Council's Current Property Procurement Operation

THE COUNCIL'S CURRENT PROPERTY PROCUREMENT OPERATION

The Council secures homes in the private rented sector through its housing property procurement service. This service operates two main schemes to meet the demand from homeless households, those threatened with homelessness and applicants for social housing who do not qualify for assistance.

The first is a basic matching service similar to the one offered by private letting agents. Through this scheme a person in need of housing and a landlord who has an available and suitable property are 'matched' and placed in a direct relationship with each other. The Council usually pays the landlord an incentive payment in the range of £2,000 for 1 bedroom property, £3,000 for 2 and 3 bedroom properties and £4,000 for 4 bedroom+ properties. The rent is usually paid by the tenant directly to the landlord and is usually supplemented in part or entirely by LHA/Housing Benefit.

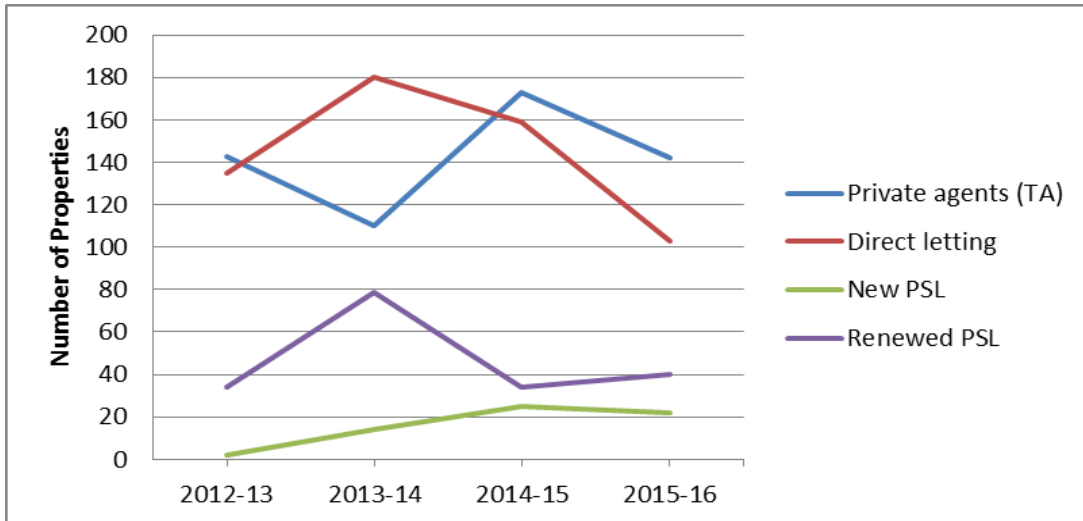
The second is a leasing scheme where properties are leased and managed from landlords for a number of years. The service assumes day to day management of the properties, either directly or through letting agents, and are therefore able to place more than one person in the accommodation during the lease period. The service would pay the landlord an incentive payment (as above) and the rent is collected by the service and paid to the landlord/letting agent. These rents also often paid from, or supplemented by, LHA/Housing Benefit.

The service also procures Bed & Breakfast and Hostel accommodation to assist people in urgent housing need.

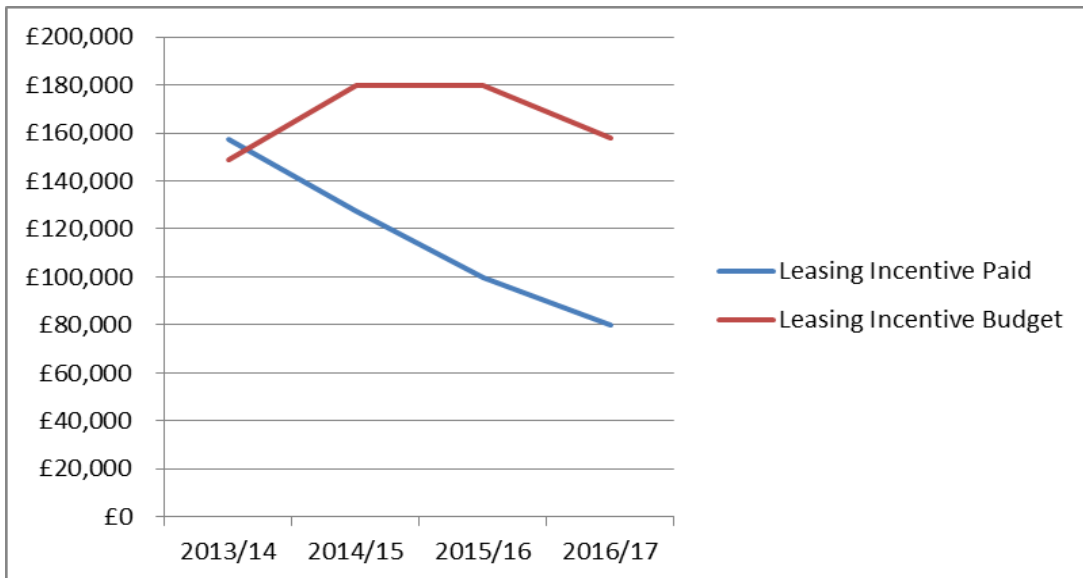
The Council's current Housing Property Procurement service consists of a service manager, six procurement officers and an administrative support officer. Two procurement officers specialise in operating the Council's private leasing scheme. Two specialise in the matching scheme. One officer manages the process of renewing leases and handing back properties at the end of leasing agreements and the sixth is tasked with bed and breakfast/hostel procurement and supporting the other officers.

Trends

The challenges facing the service reflect the market conditions outlined in this report. Generally there is a tangible downward trend in the number of properties being procured through the various schemes. However, there are encouraging signs as the service is improving the retention and renewals of existing leased properties;



The difficulties experienced by the service in procuring properties is further illustrated by the amount underspent in the budget available for incentivising landlords to lease their properties to the Council;



Current Property Portfolio

Housing Property Procurement’s portfolio consists of 800 properties; 761 in London and 39 outside of London. Of the 761 London properties, 513 have been secured through letting agents and 248 are leased directly from landlords.

The service’s in-borough leased property portfolio consists of 184 properties, 146 leased directly from landlords and 38 are leased through letting agents. Of the 184 properties 35% (65) are leased from Council leaseholders.

The ideal scenario for the Council would be to reverse these numbers. The Council should have more directly leased properties than those secured through agents. Primarily because agents and providers charge a finder’s fee for their services and are therefore a significant cost to the Council.

This is common in the sector because it is generally accepted by local authorities that agents who operate across borough boundaries have more detailed knowledge of their markets and much larger landlord databases built over several years.

Interestingly, 59% of the Council's 248 directly leased properties are in Hammersmith and Fulham and of these 60% are two bedroom or larger. This clearly demonstrates that, for the majority of in-borough landlords, the financial package is not the principle motivator when you consider how much they can potentially obtain through private market lets. This is echoed by portfolio landlords interviewed in phase one of the project and who have worked with the Council for over 12 years.

It is therefore reasonable to deduce that the Councils' current operation has been successful in leasing and retaining properties in expensive boroughs and should be able to continue to do so with a more concerted effort in marketing and negotiations.

It is a testament to Housing Options' Property Procurement team's effort that Hammersmith and Fulham can boast to be one of the very few boroughs in the country who do not have any families in Bed and Breakfast accommodation.

The Council must now consider how it will to continue its procurement operations given the prohibitively expensive and highly competitive private rented market. It must also decide on the approach for renewing leases of properties that had started as far back as 2009 when the Council was able to be more competitive with its financial packages in the private rented sector.

Appendix 2 – Private Sector Analysis

PRIVATE SECTOR ANALYSIS

This section summarises research that has been carried out into the private rented sector in Hammersmith and Fulham. It also measures how these market conditions compare with the Council's current schemes to acquire private rented homes to meet the demand for Temporary Accommodation.

Leasing Schemes are the main way the Council acquires private rented accommodation. For many years, the Council has been aware that it cannot offer Lease Fees that can compete with the commercial market prices. More recently, the buoyant and relatively stable Private Rental Market means that landlords can demand uncompromising rental prices across most areas of the borough.

It has therefore become increasingly difficult to provide Temporary Accommodation on a sustainable financial footing because to do so; fees to landlords for leased properties would have to be below the market level, usually at or around rates based on or around the current Local Housing Allowance.

At present, monthly lease fees paid by the Council to landlords of properties within the borough are negotiated between a broad range of between current LHA rates and up to 10% above the rates. These are exceeded from time-to-time and a case-by-case basis.

Research was undertaken to compare these upper Lease Fee rates currently paid set against market rates in the four main postcode areas W12, SW6, W14 and W6.

The analysis shows that the Council is most competitive in W12, achieving the best comparisons on one bedroom properties. Predictably, the findings shows that our Lease Fee offer is least competitive in the W6 postcode area.

In summary the research broadly reveals that:

- The Council's current Lease Fees offered to landlords, range between just 40% of the market rate, up to 90% depending on location.
- W12 is the most viable area to focus acquisition activity across all property sizes this is because rents are lower in this part of the borough. (W6 is least viable)
- W14 and SW6 Lease Fees are relatively competitive for one and two bedroom accommodation
- one-bedroom Lease fee is still competitive in W12 and relatively viable in W14 and SW6
- two bedroom Fees remain viable in W12, but W14 and SW6 are becoming uncompetitive
- three and four bedroom accommodation remains marginally viable in W12
- current rates are not viable for three and four bedroom competitive across W6, W14 and SW6.

The research finds that in order for a new Council-run Social Lettings to be genuinely competitive in the current market, while operating within budgetary controls, it needs to combine prudent increases in its lease fees with a shift towards a focus on dynamic sales techniques on its unique range of services and incentives.

Although an increase to Lease Fees is recommended, these need to be moderate because inflated rates will impact on financial plans.

Appendix 4 – Private Letting Agencies

PRIVATE LETTING AGENCIES

The private rented market has seen an increase in the number of private letting agencies in the borough over the past decade.

Currently, there are no specific statutes governing the operation of letting agents. Although, most tend to follow the guidance published by organisations such as the Association of Residential Letting Agents (ARLA)¹¹ who provide guidance and best practice codes to letting agents and customers.

ARLA's latest guidance (July 2015) promotes best practice in letting and management of the properties and highlights recent changes in legislation particularly the Immigration Act 2014, Consumer Rights Act 2015 and Deregulation Act 2015.

Products & Services

Private letting agents typically offer landlords two main services; a let-only service and full property management service. In some instances, an agency may choose to offer a hybrid of the two products to landlords to provide greater choice as well as increase revenue.

The two typical types of services are compared below;

Service	Full Property Management	Matching Service / Let Only
Market appraisal	Yes	Yes
Comprehensive marketing and promotion of properties	Yes	Yes
Key-holding service	Yes	Yes
Flexible accompanied viewings	Yes	Yes
Negotiation of terms and creation of tenancies	Yes	Yes
Tenant referencing	Yes	Yes
Inventory checks (check-in and check-outs)	Yes	Yes
Registration and management of deposits	Yes	Yes
Negotiation of tenancy renewals & rents	Yes	Yes
Rent collection	Yes	
Provision of EPCs and Gas safety certificate	Yes	
Regular property inspections	Yes	
Tenant liaison (enquiries, maintenance)	Yes	
Emergency service for tenants (24hrs)	Yes	
Regular maintenance reports	Yes	
Co-ordination and management of maintenance works	Yes	
Instruction and payment of contractors	Yes	
Negotiation of deposit release	Yes	
Service of notices	Yes	
Advice on legislation compliance	Yes	
Provision of financial statements (monthly/quarterly)	Yes	

Fees & Charges

There is also no industry standard for the prices agencies choose to charge for their products and services. Our analysis of fees charged by some agents in the borough show

¹¹ ARLA 'Private Rented Sector Code of Practice' Updated July 2015
http://www.arla.co.uk/media/1043126/private_rented_sector_code-amended_july_2015.pdf

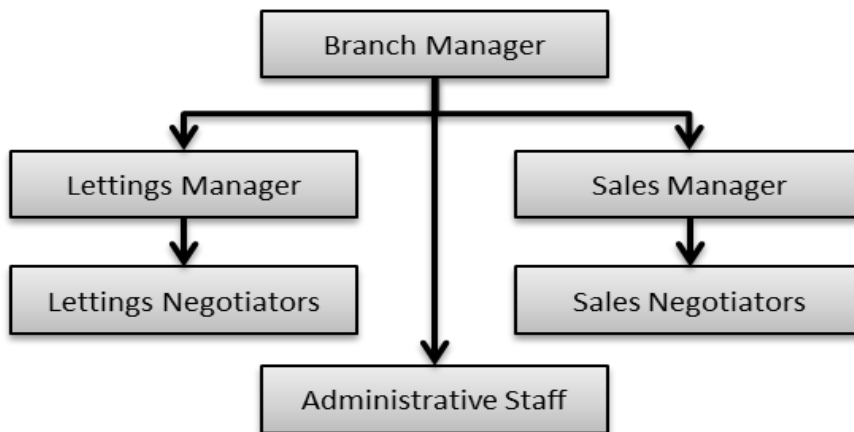
that letting agents' prices vary greatly. Letting and management fees start at around 10% (lettings only), but can rise to as much as 18% of the gross rent for the tenancy period.

Some smaller agents undercut bigger companies to gain a foothold in the market place, but this is rare. In some instances, it is common practice to charge the landlord and tenant for the same service; e.g. tenancy renewal.


Services	Typical rates in H&F
Full Property Management fee (landlord)	13% - 18%
Let Only service fee (landlord)	10%
Tenancy Arrangement fees (landlord & tenant)	£120 - £210
Inventory Checks - "Check In & Check Out" (landlord & tenant)	£100-£450
References (per tenant)	£25 - £60
Guarantor fee (tenant)	£25 - £60
Tenancy renewal fees (Landlord & Tenant)	£90-£200

Typical Estate Agency structure

The typical estate agency operational structure is illustrated below and almost all the positions are heavily incentivised.



Bigger estate agents hand over management of properties to a central hub that deals with landlord and tenant enquiries. Whereas smaller agents deal with these aspects directly.

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">7 NOVEMBER 2016</p>	
<p style="text-align: center;">CREATION OF AN EDUCATION HUB AND NEW YOUTH PROVISION</p>	
<p>Report of the Cabinet Member for Children and Education – Councillor Sue Macmillan</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p>	
<p>Key Decision: Yes</p>	
<p>Wards Affected: White City & Wormholt</p>	
<p>Accountable Executive Director: Clare Chamberlain, Executive Director Children’s Services</p>	
<p>Report Author: Dave McNamara Director of Finance & Resources, Children’s Services</p>	<p>Contact Details: Tel: 020 8753 3404 dave.mcnamara@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. On 20th October, Ark Swift, in conjunction with Harmony Nursery announced a consultation with parents on a proposal to redevelop the site on Australia Road/South Africa Road. As the freeholder of the land, Ark have approached the Council with a view to disposing of the land by way of leasehold.
- 1.2. Whilst Ark already have a leasehold on the existing Ark Swift they want to establish an education hub at the site and to establish their Head Office in Hammersmith & Fulham, and attract similar organisations with the relocation of up to 2,000 jobs to Hammersmith & Fulham. The scale of the draft proposals are intended to achieve the following:

- Rebuild of the existing Ark Swift school;
- Building a new youth provision (to be run by Youth Onside);
- Establishing a new care leavers’ hub;
- Reproviding existing affordable childcare
- Reproviding existing Adult Learning;
- Rehousing of the site supervisor;
- Establishing an Education Hub for Ark and other similar organisations
- Establishing affordable rented homes for teachers.

- 1.3. Ark are undertaking a community engagement exercise to determine support for their project and detailed planning application.
- 1.4. The Council is the statutory planning authority and must be mindful that it is not seen to have pre-determined the planning application in relation to this project.
- 1.5. This report seeks to delegate the approval of Heads of Terms on the conditional leasehold disposal of land at Ark Swift (formerly Canberra) and surrounding area, subject to community support for the proposal.
- 1.6. Heads of Terms will also seek to protect the council's interests in relation to any unforeseen commercial benefit to be derived from the development.

2. RECOMMENDATIONS

- 2.1. Subject to positive community engagement and a successful planning application, to delegate approval of the Heads of Terms, for all property agreements and commercial property negotiations of all aspects of this project, and suitable safeguards to protect the council's financial and commercial interests to the Cabinet Member for Finance in consultation with the Director of Building and Property Management and the Strategic Finance Director.
- 2.2. To delegate the decision on how the provision of Adult Learning is to be addressed in this project to the Cabinet Member for Social Inclusion and the Cabinet Member for Economic Development and Regeneration, in conjunction with the Director of Growth and Strategy.
- 2.3. To delegate the approval of an operational agreement and for the appointment of Youth Onside as the provider of youth facilities, subject to a separate commissioning agreement to the Cabinet Member for Children and Education, in conjunction with the Director for Children's Commissioning.
- 2.4. To approve the rehousing of the site manager's family to facilitate the redevelopment and delegate this to Director of Finance and Resources, Children Services.

3. REASONS FOR DECISION

- 3.1. Subject to positive community engagement for the project and a successful planning application, the Council supports the establishment of an education hub for:

the economic regeneration benefits it will yield through the relocation of 2,000 jobs to Hammersmith and Fulham;
the education benefits that pupils will derive from a new modern school;

the new community benefits it will derive for the establishment of a new youth facility;
the funding provided for the establishment of a new support hub for care leavers;
the enhanced community benefits that will be derived from the re-provision of Adult Learning and affordable child-care

4. PROPOSAL AND ISSUES

Whilst the community and economic benefits of the proposal are clear there are significant legal, planning and financial challenges that are raised and that the council needs to address in reaching its decision. The council also needs to consider the impact on the local community and ensuring that valued services are re-provided. The proposal will be driven forward using best practice project management skills ensuring all internal and external stakeholders are engaged.

Legal and Valuation

- 4.1. The decision to dispose of land needs to have regard to appropriate valuations and legal constraints. LBHF will need to agree with ARK on the capital value of its property interest reflecting the modified user clause of the lease that will help facilitate the comprehensive range of new uses including office use and also other education aligned uses on the site. There will also need to be valuations of LBHF other land interests that will help facilitate this development. The Council will also be supporting new facilities on the site including adult education and youth provision and the construction cost of these facilities will need to be costed too. If the Council was minded to offset a capital receipt in lieu of the provision of new operational facilities for local residents then further analysis will be undertaken to assess the property benefits and costs. More information will be needed to ensure new operational facilities which the Council supports eg adult education and youth will not have any revenue costs or rental charges that will impact on LBHF budgets and these new spaces will be safeguarded for local community use going forward. The Council will also need to work with ARK to ensure the drafting of the property agreements on the commercial offices and affordable housing to ensure specific uses proposed are maintained long term.
- 4.2. Consent of the Secretary of State will also be required to dispose of education land as an amendment of a standard Academy lease is being undertaken. The legal section also refers to the Council's obligations to get best value and further information is needed from the external valuer before the Council can assess if a formal SOS consent is needed.

Planning

- 4.3. The project is a significant development which will have a major impact upon the local community and needs to be developed in accordance with planning guidelines.

- 4.4. The developer has submitted a pre-planning application and is currently in discussion with planners to ensure the application is compliant. As part of this process the developer will undertake a consultation exercise.

Existing Service Provision

- 4.4.1. Affordable child care is currently run by Harmony Nursery and agreement needs to be reached as to how this should be reprovided in the new development.
- 4.4.2. Adult Learning currently run facilities from the Adult Community Learning centre (ALCL) on Australia Road and agreement needs to be reached as to how these should be reprovided in the new development.
- 4.4.3. In determining the level of adult learning to be provided within the proposed development, consideration will need to be given to the current review of Further Education provision within West London.

New Service Provision

- 4.5. The project allows the location of a brand new youth facility within the development as well as providing the finance for the establishment of a support hub for care leavers.
- 4.6. Subject to a separate commissioning agreement Youth Onside will be appointed to run the youth facility.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. The council is being asked by Ark, leaseholder of the site at Ark Swift, on the White City Estate to consent to the rebuilding of the school and establishing of an Education Hub that allows it to relocate its headquarters from Central London and run all of its projects from Hammersmith & Fulham.
- 5.2. The Council is the statutory planning authority, and whilst it is also the freeholder of the land that is proposed to be developed and may support the establishment of a new youth facility and care-leavers' hub, it must not pre-determine the planning application in relation to this project.
- 5.3. In considering this request the council has given consideration to what might be achieved through including adjacent freeholding to form a larger site that would permit a larger development that could provide additional facilities both on site and elsewhere, as well as ensuring the continued provision of existing services within the new development. As greater value can be achieved through this option, this is the option that the council is following.

6. CONSULTATION

- 6.1. Ark are leading on a community engagement exercise to determine support for the scheme to be included within the proposed planning application. The planning application will also include a consultation exercise.

7. EQUALITY IMPLICATIONS

- 7.1. Should the proposal proceed there will be significant positive implications for the residents of the white City and the rest of the borough. The re-provision of the nursery provision is likely to include an expansion that will increase the number of affordable childcare places for working families; the re-provision of the Adult Learning facility within a modern building will enhance the service offering for people accessing employment and other courses; the establishment of a youth facility will provide children and young people with a unique opportunity to access a wide range of sport and leisure activities; and the establishment of a care leavers hub will provide a valuable resource for some of the most vulnerable members of the community.

8. LEGAL IMPLICATIONS

- 8.1. The Council has been advised by Trowers & Hamblins LLP, external solicitors. The Council is proposing to dispose of an interest in land by way of a long leasehold interest to Ark - a non-exempt charity and company registered in England and Wales. Ark is proposing (subject to planning permission) to develop the site for :-

- 8.1.1. A rebuilt Ark Swift Academy School

- 8.1.2. A nursery

- 8.1.3. An Adult Learning facility;

- 8.1.4. New office headquarters for Ark and others;

- 8.1.5. Key worker housing; and

- 8.1.6. A “graduate school”;

- 8.2. It is understood that the Council currently holds the freehold of the land and the land is appropriated for the purposes of education. The Council has the power to dispose of land held by it in any manner it wishes pursuant to section 123 of the Local Government Act 1972 provided it is for the best consideration reasonably obtainable where the interest being disposed of consists of the grant of a term exceeding seven years. The Council also has a duty pursuant to section 13 of the Education Act 1996, giving local authorities general responsibility to secure efficient education to meet the needs of the population of their area and pursuant to section 14 of the Education Act 1996 to secure that sufficient schools are available for their area – the development will consist of a nursery school, primary school and Adult Learning facility so

powers with regard to secondary education will not be relevant here. The Council also has a common law fiduciary duty to obtain value for money, to act in a business-like manner and to act for a proper purpose when exercising its powers and to have regard to all relevant considerations and disregard irrelevant considerations.

- 8.3. Trowers & Hamblins and ARK's solicitors, Bond Dickinson, have sought an opinion from James Goudie QC, a leading authority specialising in public procurement law who has confirmed that ARK through its long leasehold interest in the majority of the site has an "exclusive right" and therefore no reasonable alternative or substitute party could develop the site, . As such, the Council would be justified in using the negotiated procedure without prior advertisement. pursuant to Regulation 32(2)(b)(iii) of the Public Contracts Regulations 2015 to conclude the transaction with ARK.
- 8.4. Valuations are being finalised that will help negotiations by LBHF and ARK on the value of its interests and also inform the level of benefits new facilities.
- 8.5. Subject to confirmation that the independent surveyor has verified that the Council's disposal of this interest in the site presents open market value, the proposed transaction complies with the Council's "best consideration" requirement of section 123 of the Local Government Act 1972 (as referred to above) and the Council's common law fiduciary duty to obtain value for money and would not appear to raise any potential concerns with regard to unlawful state aid.
- 8.6. Implications verified/completed by: Helen Randall, Legal departement, RBKC

9. FINANCIAL IMPLICATIONS

- 9.1. There are many financial matters that will require consideration should these proposals proceed. They include:
 - Any implications for the council's capital programme
 - Taxation issues
 - Service provision during the development and any transitional costs
 - How the future impact on revenue budgets can be contained within existing budgets?
 - The benefits that may arise from additional business rates.
- 9.2. These, and other relevant financial matters, will need to be addressed prior to the approval of Heads of Terms. Account of the proposals will must be taken within the councils forward financial plans.
- 9.3. Implications verified/completed by: Hitesh Jolapara, Strategic Finance Director.


10. IMPLICATIONS FOR BUSINESS

- 10.1. The proposal is subject to a planning application, appropriately determined by the council. Should it be approved it would lead to the establishment of approximately 2,000 jobs within the borough and increase the level of disposable local expenditure by employees

11. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

Independent Valuation Report (Exempt)

Agenda Item 9

London Borough of Hammersmith & Fulham		 hammersmith & fulham
CABINET DECISION 7 NOVEMBER 2016		
SMARTER BUDGETING: OUTCOME 2 BEST START IN LIFE		
TRANSFORMING SERVICES FOR CHILDREN AND YOUNG PEOPLE WITH SPECIAL EDUCATIONAL NEEDS AND DISABILITIES BUSINESS CASE		
Report of the Cabinet Member for Children and Education: Councillor Sue Macmillan		
Open Report		
Classification - For Decision		
Key Decision: Yes		
Wards Affected: All		
Accountable Director: Ian Heggs / Dave McNamara		
Report Author: John O'Sullivan, Head of Children's Portfolio, TBC Resources	Contact Details: Tel: 0207 361 3787 E-mail John.O'Sullivan@rbkc.gov.uk	

1. EXECUTIVE SUMMARY

- 1.1 The Smarter Budgeting Member Challenge Panel on 27th June 2016 agreed for a number outline business cases in Outcome 2 "Best Start in Life" to be taken forward and developed. This report seeks agreement to fund the full Business Case 4: Transforming Services for Children and Young People with Special Educational Needs and Disabilities and give Cabinet approval/authority to proceed.
- 1.2 The mechanism for delivery of the business case is the Children and Families Act Implementation Programme. The programme includes four key elements of work: the integration of the SEN and Disabled Children's Services to improve performance and the delivery of savings; joint commissioning; preparation for adulthood and quality assurance in preparation for the SEND inspection regime.
- 1.3 The business case format has been designed as part of the Smarter Budgeting process, within it there is a detailed examination and explanation of the current situation, consequences of inaction and the benefits, costs and risks. The business case is appended to this report and provides the core evidence and rationale to assist Members with decision making.

2. RECOMMENDATIONS

- 2.1. To approve Outcome Two Business Case 4: Transforming Services for Children and Young People with Special Educational Needs and Disabilities.
- 2.2. To approve the Smarter Budgeting investment. The investment requirement of £687,500 will be funded from the Efficiency Projects Reserve.

The investments required are outlined below:

- i) Investment to fund a Transfer Review Team to improve the delivery of Education, Health and Care Plans to meet statutory timescales including the transfer of existing SEN statements.
- ii) Resources to fund programme and project management costs for the Children and Families Act Implementation Programme and to support the delivery of the proposed savings from the SEN Service and the Disabled Children's Team for 2017/18.

3. REASONS FOR DECISION

- 3.1 The Children and Families Act 2014 defined a local authority's statutory obligations for delivering services with Special Educational Needs and Disabilities (SEND) services, as detailed in the revised SEN and Disability Code of Practice: 0-25 (January 2015).

Subsequently, Ofsted and The Quality Care Commission have developed a new SEN inspection framework to assess how authorities are delivering against these new expectations. The Government has also recently announced proposals to change the way funding for schools is calculated and administered. The high level impact for councils is clear: SEND services must be developed with their users at the heart and be joined up with health and care services; local authorities must be able to evidence how they identify needs and improve outcomes for all children and young people with SEND; schools will have greater control over how funding is used and an increased role in commissioning services.

Critically, meeting the requirements of the change will require system wide change working across all agencies and at all levels of need to design a local offer which is focused on achieving outcomes.

- 3.2 The Business Case has been through extensive internal, Member and Smarter Budgeting challenge sessions, which have helped develop and improve the proposals and plans.

The projects within this business case have been worked up following extensive engagement and idea generation activity. They represent the best opportunities for achieving savings in this area of Children's Services.

The savings associated with this business case amount to £224,000 for 2017/18, contributing to the Medium Term Financial Strategy savings for the council.

4. PROPOSAL AND ISSUES

4.1 Smarter Budgeting is the corporate outcomes-based budgeting transformation initiative which seeks to better allocate budgets and activities/services to achieve improved outcomes for residents. Social inclusion, value for money and responsiveness to residents is at the heart of the programme and headline themes for deliverables are as follows:

- Economic growth
- The Best Start in Life for Children
- Safer & Healthier place
- Supporting Vulnerable Adults
- Reducing Homelessness and Overcrowding
- Decent Homes
- Resident Involvement
- Cleaner, Greener, Sustainable borough

4.2 Smarter Budgeting seeks to replace the percentage cuts approach to budgeting with an innovation-led approach to the design and delivery of potentially new activities and services which best deliver strategic outcomes. In this way substantial savings across the council can be achieved by rooting out duplication, and ceasing activities that are no longer resident/customer-responsive or present good value for money. Each outcome has a cross-functional team, supported by a corporate Smarter Budgeting programme team, Finance and Innovation & Change Management. The Smarter Budgeting programme is led by the Director of Delivery & Value and the Chief Executive and Strategic Finance Director are active on the governing Programme Board.

4.3 The Smarter Budgeting programme has enabled Children's Services to examine its activity and spending across all service lines. This analysis has led to the strengthening of the existing Children and Families Act Implementation Programme to maximise the improvements to the local offer and the savings that can be achieved.

4.4 There are four key areas of work:

SEND Transformation – including integration of the SEN Service and The Disabled Children's Team to support increasing demand, the delivery of savings and improved performance particularly in the delivery of Education, Health and Care (EHC) Plans.

The business case requests a one-off time limited investment in the Service. This is an "invest to save" and the costs of the investment will be apportioned across the three boroughs. The investment will fund both a transfer review team, who will focus on the transfer of Statements of SEN to EHC Plans and

core SEN staffing to enable more Education Health and Care Needs Assessments to be completed within 20 weeks.

As of August 2016 there are 677 existing Statements of SEN in LBHF awaiting re-assessment and transfer to an EHC Plan. The process of transferring an individual child from a Statement to an EHC Plan must be completed with 18 weeks to meet statutory targets. There are milestone targets for 271 of these to have been completed by April 2017 and the remaining 406 to have been completed by April 2018.

The most recently published national data set was in December 2015, when the borough had completed 2.3% of transfer reviews, compared with a national average of 18.2%; this is due to the local authority focusing on quality and co-production wherever possible, combined with the significant pressures the new legislation has put on partner services who are now actively involved with the assessment and re-assessment processes.

Although local performance may be explained to some extent by differences in approach across Authorities nationally, with regard to how comprehensively needs are re-assessed at the point of transfer, it represents a significant reputational issue and leaves the local area potentially vulnerable to an earlier Ofsted/CQC inspection and limits management capacity to focus on the wider strategic re-organisation of the SEN Service.

Joint Commissioning – developing an active partnership between SEN, Disabled Children’s Services, Adult Social Care and Public Health and Health Services, working closely with parents, young people, schools, colleges and other stakeholders to maximise efficiency, manage demand and deliver value for money.

Preparation for Adulthood – ensuring effective transition for young people and their families from Children’s Services to Adult Services and preparation for adulthood, supporting young people to develop the necessary skills for independent living, employment, good health and becoming an active member of the local community.

Quality Assurance – the SEND inspection regime has just begun. Led by Ofsted and the CQC the inspection will focus on how well local partners are meeting the need to improve outcomes for children and young people with SEND. Work has begun to self-evaluate against the criteria and to develop a picture of current gaps and areas for development.

- 4.5 The business case requests investment from LBHF to cover the costs of additional change support (beyond what has been deployed to date). This consists of programme and project capacity for a period of 18 months. The costs of the resource will be apportioned across the three boroughs.

5. OPTIONS AND ANALYSIS OF OPTIONS

The Smarter Budgeting programme is the key delivery vehicle for savings

This Children and Families Act Implementation Programme is based on the need to comply with the requirements of the SEN and Disability Code of Practice 0 – 25 (January 2015) and the risks associated with non-compliance. This would bring the Council into disrepute and risk litigation from parents of children with SEND and others.

An associated driver is the risk of not being able to achieve a successful Ofsted / CQC inspection.

As part of and in addition to the need to comply with the Code of Practice there are many benefits to customers and staff.

These include a holistic and joined up approach for children, young people and their families; clear and transparent pathways and processes; good and outstanding local provision, including post 19 provision; a whole life, whole family approach, supported by personal budgets; early intervention, prevention and forecasting of demand.

5.1. **Option One:** manage as business as usual with no additional capacity

As demand led services, there is a significant financial risk associated with changing population needs and the evidence suggests that there is likely to be an increase nationally and locally in the demand for services with regard to special educational needs and disabilities.

Without additional capacity to manage the programme of change in a planned and holistic way with additional support for the delivery of Education, Health and Care Plans there is a high risk that demand cannot be planned for and managed.

In addition, as outlined above, there are risks of non-compliance with the SEND Code of Practice (2015).

5.2. **Option Two:** resource the Transfer Review Team and the programme and project support as outlined above. This will enable the delivery of both the financial and non-financial benefits to both the Council and to the children and young people with special educational needs and disabilities in a holistic manner, complying with the Children and Families Act 2014 both in fact and in spirit, delivering the required savings as proposed.

5.3. **Option Three:** add further capacity over and above that requested.

It is considered that the resource requested is adequate to support the delivery of the changes and the urgent need to improve delivery timescales for Education, Health and Care Plans.

The preferred option is Option Two.

6. CONSULTATION

- 6.1. The Children and Families Act 2014 legislates for close partnership between children, young people and their families and education, health and care services. Parents' and young people's representatives are, and will continue to be, full partners in the design, delivery and evaluation of change.
- 6.2. For staffing reviews we anticipate significant consultation and participation with staff groups and trade unions.

7. EQUALITY IMPLICATIONS

- 7.1. This paper seeks authorisation to develop a series of projects within the Children and Families Act Implementation Programme, many of which will have equality implications as services change or are redesigned. Individual projects will need impact assessments as part of the change process. The Programme Board will ensure that a combined view of equality dimension and impact is considered.

8. LEGAL IMPLICATIONS

- 8.1. The Council's duties and powers in relation to services for children and young people with special educational needs and disabilities are found in the Children and Families Act 2014 and the SEND Code of Practice (January 2015).

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

9. FINANCIAL IMPLICATIONS

- 9.1. The investment required for both business cases is set out in the table below. A full breakdown can be found in the attached business case and invest to save pro forma – Appendices One and Two. The investment will be funded from the Efficiency Projects Reserve. Monthly monitoring will be required on use of the up-front funding and delivery of the saving.

Invest to Save Funding Required			
16/17 £000s	17/18 £000s	18/19 £000s	Total £000s
187.5	375	125	687.5

- 9.2. Savings for BC 4: Transforming Services to Children and Young People with SEN and Disabilities.

MTFS Savings to be Delivered			
17/18 £000s	18/19 £000s	19/20 £000s	20/21 £000s
224	224	224	224

	£'000s
Total savings year 1 to 5	1120
Total savings year 1 to 10	2240

Payback Period (years before investment recovered)	3.1 years
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Implications verified/completed by: (Andrew Lord, Head of Strategic Planning and Monitoring, Corporate Finance, Extension 2531).

10. IMPLICATIONS FOR BUSINESS

10.1 There are no immediate implications for Business

11. OTHER IMPLICATION PARAGRAPHS

11.1. There are no other immediate implications for Procurement, IT strategy, risk management, property, business intelligence, health and wellbeing, Section 106 and PREVENT, although these will be reviewed regularly as the projects in the programme develop.

12. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None

LIST OF APPENDICES:

Appendix One: Full Business Case - Transforming Services for Children and Young People with Special Educational Needs and Disabilities

Appendix Two: Invest to Save Bid



Full Business Case for Smarter Budgeting Programme – Transforming Services for Children and Young People with Special Educational Needs and Disabilities

By signing this document the signatories below are confirming their acceptance of the detail contained within this document.

Programme / Project Sponsor	Clare Chamberlain: Executive Director Children's Services	Signature and Date:
Service Director (Accountable Person)	Ian Heggs:	Signature and Date:
Accountable Member (Sponsor)	Cllr Macmillan: Cabinet Member for Children and Education	Signature and Date:

Contact Details	Name	Job Title / Role	Contact Details
Sponsor			
Business Contact			
Document Author			
Accountable Member			
Document Details			
Version Number	0.7		
Issue Date	5 September 2016		

CHANGE HISTORY

Version Number	Date	Details of changes made to the business case	Author(s)

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Management Summary

The Children and Families Act 2014 defined a local authority's statutory obligations for delivering services with Special Educational Needs and Disabilities (SEND) services, as detailed in the revised SEN and Disability Code of Practice: 0-25 (January 2015).

Subsequently, Ofsted and The Care Quality Commission have developed a new SEN inspection framework to assess how authorities are delivering against these new expectations. The Government has also recently announced proposals to change the way funding for schools is calculated and administered.

The high level impact for councils is clear: SEND services must be developed with their users at the heart and be joined up with health and care services; local authorities must be able to evidence how they identify needs and improve outcomes for all children and young people with SEN; schools will have greater control over how funding is used and an increased role in commissioning services.

Critically, meeting the requirements of the change will require system wide change working across all agencies and at all levels of need to design a local offer which is focused on achieving outcomes.

The business case below outlines the proposed programme to deliver the changes required whilst managing demand and cost pressures.

There are four key areas of work:

- SEND Transformation – including integration of the SEN Service and The Disabled Children's Team to support increasing demand, the delivery of savings and improved performance particularly in the delivery of Education, Health and Care (EHC) Plans.
- Joint Commissioning – developing an active partnership between SEN, Disabled Children's Services, Adult Social Care and Public Health and Health Services, working closely with parents, young people, schools, colleges and other stakeholders to maximise efficiency, manage demand and deliver value for money.
- Preparation for Adulthood – ensuring effective transition for young people and their families from Children's Services to Adult Services and preparation for adulthood, supporting young people to develop the necessary skills for independent living, employment, good health and becoming an active member of the local community.
- Quality Assurance – the SEND inspection regime has just begun. Led by Ofsted and the CQC the inspection will focus on how well local partners are meeting the need to improve outcomes for children and young people with SEND. Work has begun to self-evaluate against the criteria and to develop a picture of current gaps and areas for development.

The business case requests a one-off investment time limited investment in the SEN Service. This is an "invest to save" and the investment will be shared across the

three boroughs. The investment will fund both a transfer review team, who will focus on the transfer of Statements to EHC Plans and core SEN staffing to enable more Education Health and Care Needs Assessments to be completed within 20 weeks. The total investment requested from LBHF is £500,000 – profiled as Sept 16 – March 17 £125,000; April 17 – March 18 £250,000; April 18 – Sept 18 £125,000.

Full details of the Transfer Team Business Case can be found in Appendix One.

The business case also requests investment from LBHF to cover the costs of additional change support (beyond what has been deployed to date) of £187,500 LBHF. This consists of project capacity for a period of 18 months. The costs of the programme resource will be apportioned across the three boroughs.

Stakeholders

Stakeholders include:

Children and young people with special educational needs and disabilities and their families, as well as parents' support groups, in particular Parentsactive.

The Cabinet Member for Children and Education, Members and senior officers within LBHF and across Shared Services

Schools, colleges and other external agencies supporting children and young people as part of the local offer.

Partners within SEN and Disabled Children's Services; Adult Social Care and Public Health and Health Services.

Corporate partners and local communities, particularly in relation to the development of local provision.

Need for change

Current Situation

The local authority has a statutory duty to assist children with special educational needs or disabilities in a number of areas.

These include: ensuring families are provided with advice and guidance from the point of identification of the child's special educational needs or disability; provision, if appropriate, of an education, health and care plan (which replaces the Statement of Educational Need); provision of a 'local offer' to ensure support services are in place at a universal and universal plus level; support to schools in the education of children with special needs; social work support for families with complex needs; assistance in helping young people with special needs or disabilities and their families to make a successful transition to adulthood.

Key drivers include:

- Meeting the statutory duties of the Children and Families Act 2014; The Children's Act 1989 and 2004; The Care Act 2014.
- To provide good or outstanding local provision, local employment and housing

- A desire to improve communication and responsiveness and build further collaborative working with young people, parents, schools, colleges and other key stakeholders and partners.
- Early intervention and prevention, where appropriate utilising a predictive modelling approach.

The diagram below shows the legislative drivers and compliance required.

Children and Families Act 2014	Ofsted & CQC SEND inspections	Expected future changes:
<p>Expanded age range - The local Authority may now have a statutory obligation to provide support up to the age of 25.</p> <p>Joint working - EHCPs must be undertaken jointly by Education, Health and Social Care. There is an expectation of joint planning and commissioning of services to ensure close co-operation.</p> <p>Engaging children, families and carers - placing children, young people, parents and carers at the heart of processes of developing and delivering SEN provision</p> <p>Inclusive learning - Focus on inclusive education and the removal of barriers to learning and participation in mainstream education.</p> <p>Personal budgets- Young people and parents of children who have EHC plans have the right to request a Personal Budget.</p> <p>Preparation for adulthood - support children and young people to prepare for adult life, and achieve the best outcomes in employment, independent living, health and community participation</p>	<p>Following the implementation of the Children and Families Act (2014) the Department for Education (DfE) requested that Ofsted and CQC inspect local areas on their effectiveness in fulfilling their new duties.</p> <p>All levels of SEN</p> <p>The new inspection framework will encompass the entire Local Offer for young people with SEN, not just those with an EHCP.</p> <p>The new Inspection framework will focus on two key areas:</p> <p>Identification</p> <ul style="list-style-type: none"> • How effectively the local area identifies disabled children and young people and those who have special educational needs. <p>Outcomes</p> <ul style="list-style-type: none"> • How effectively the local area meets the needs and improves the outcomes of disabled children and young people and those who have special educational needs. 	<p>National Funding Formula and The Schools White Paper</p> <p>The Department for Education is currently consulting on proposals for a new funding formula for schools to:</p> <ul style="list-style-type: none"> • introduce a funding formula where the funding each pupil attracts to their school is determined nationally • implement the formula from 2017-18, allocating funding to local authorities to distribute for the first 2 years, and then to schools directly from 2019-20 <p>There is a simultaneous consultation on how High Needs funding is allocated. This proposes to continue to allocate funding to local authorities for high needs, but on a formula basis.</p> <p>The schools' white paper sets out the Government's intention to convert all schools an academy status by 2020 further increasing the independence of schools from Local Authorities.</p>
<p>Impact</p> <ul style="list-style-type: none"> • Increased numbers of young people eligible for support and a focus on services to transition • A clear, statutory obligation to carry out duties in an inclusive way and to work across education, health and care services. 	<p>Impact</p> <ul style="list-style-type: none"> • Must have robust provision to identify the needs deliver improved outcomes for children and young people with SEND. • This must be based on solid evidence and be joined up with CCGs and NHS. 	<p>Impact</p> <ul style="list-style-type: none"> • Schools' funding will no longer be available for the LA to provide services (e.g. school standards). Funding will go directly to schools. LAs will need to make decision about how to fund services and how to engage with schools as a market.

Current cost pressures and savings targets identified for the service are outlined at 4.5.

The impact of changes to the High Needs funding formula from 2017/18 may introduce additional pressures.

The SEND inspection regime has just begun which will assess local areas progress towards meeting the requirements of the Children and Families Act 2014. The inspection will be led by Ofsted and CQC and will focus on how well local partners are meeting need to improve the outcomes of children and young people with SEND. In particular, this new regime applies not just to children with an EHCP but also those at SEN support level (previously school action/ school action plus).

The inspection will not result in a score but will identify areas strengths and areas for development against the following criteria: Identification, assessing and meeting needs and improving outcomes.

The first two inspections have now been completed and the results have been published. Some emerging themes include:

- The role of health in early identification. In particular: the delivery of the healthy child programme and the role of health visitors and school nurses in meeting need (including the integrated two-and-a-half-year review) and processes for diagnosis (particularly ASD and CAHMS pathway).
- Co-production and young people/ parent experiences in the development of EHC plans and the speed of completing assessments

-
- The quality of the local offer website alongside the offer to children below EHCP threshold.
 - Outcomes both based on qualitative data and the views of partnerships and parents. This includes the way in which data is collected. Particular groups are pinpointed where development is weaker in the areas inspected (i.e. 19-25 and white British pupils with social, emotional or mental health).

2.2 Proposed programme

There are four areas of work within the proposed programme, evolving from the existing programme that has implemented the initial aims of the Children and Families Act:

- A need to improve the performance of the SEN Service. One strand of this work is the development of a dedicated Education, Health and Care (EHC) Transfer Review Team. Requiring a time limited investment the team would take responsibility for delivering the re-assessment and transfer of SEN Statements to EHC Plans, completing in April 2018. A further strand is the recognition of the need to integrate the SEN Service and the Disabled Children's Team, which would support managing increasing demand, with potential savings in 3 years' time.
- The second area is the need to establish a joint commissioning approach. Supporting an active partnership between SEN, Disabled Children's Services, Adult Social Care and Public Health and Health Services, in collaboration with the K&C and WCC, joint commissioning will avoid duplication and maximise efficiency and value for money. A key tenet is close working with parents, young people, schools, colleges and other key stakeholders in the co-design of services.
- Effective transition from Children's to Adult Services underpins the ethos of the Act. Transition starts at the age of 14+ (Year 9) or earlier and helps a young person prepare for adulthood, developing the necessary skills for independent living, employment, good health and becoming an active member of the local community. Key principles include: ensuring meaningful engagement between affected young people and their parents and other key stakeholders; developing personal budgets and effective in-borough resources; working effectively in partnership with all key stakeholders and maximising our community assets.
- The fourth area will focus on quality assurance with the particular remit of preparation for the Ofsted and CQC inspection.

2.3 Consequences of Inaction

As demand led services, there is a significant financial risk associated with changing population needs and the evidence suggests that there is likely to be an increase nationally and locally in the demand for services.

An initial scoping review across Shared Services identified that:

- Without intervention or different ways of working there will be an increase of around 155 EHCPs in LBHF and WCC by 2020.
- The proportion of the SEN cohort at secondary age will increase over five years. The number of 11-15 year olds will grow by 18%.
- Non-maintained and independent school provision outside of the local area costs 3.5 times more than state funded local provision. The increasing number of EHCPs is likely to lead to an increase in the use of this costlier provision if needs cannot be met through developments in maintained provision locally.
- There is likely to be an increased demand for educational provision for young people up to the age of 25, under the new provisions of the CFA Act.
- Speech, Language & Communications Needs in the three boroughs is double the national proportion of statements / EHCPs
- Autistic Spectrum Disorder is the primary need for 29% of all current statements / EHCP and demand for this support will remain high.

Vision

We will:

- ensure high quality provision to meet the needs of children and young people with SEN through collaboration between education, health and social care
- maintain a focus on successful preparation for adulthood including independent living, employment and health
- make joint commissioning arrangements to cover services for 0-25yrs to enable parties to make best use of all the resources in an area and improve outcomes for young people through the most efficient, effective, equitable and sustainable services to provide support
- ensure co-ownership of the Local Offer. Children, their parents, and any young people with SEN or disabilities should be involved in the planning, publishing and review of Local Offer content. This should include facility for children, their parents and young people to comment and feedback on it

Outcomes

The programme will deliver the following outcomes:

- Appropriate good and outstanding local provision, both specialist and mainstream, at the right cost
- Whole life whole family approach supported by personal budgets

-
- Clear pathways particularly through transition to adulthood
 - A successful joined up approach (including joint commissioning) between partner agencies, parents, children and young people – delivering the ethos of the Children and Families Act
 - Early intervention, prevention and forecasting demand to reduce spend and prevent high cost transfers to adults' services.
 - Improved pathways and processes to ensure appropriate use of provision and services
 - Efficiencies in numbers of staff required to run these services

Future Operating Model (Where applicable)

The future operating model will include an integrated SEND Service with a Shared Service Assistant Director for SEN, Disabled and Vulnerable Children.

Clear pathways and transitions to adulthood will be in place with improved provision and supported employment.

The disabled children's residential strategy will be implemented.

A joint commissioning strategy and associated infrastructure will be embedded which will include mechanisms to forecast demand to reduce spend and prevent high cost transfers to adults' services.

A time limited Transfer Team will be in place.

Change Impact

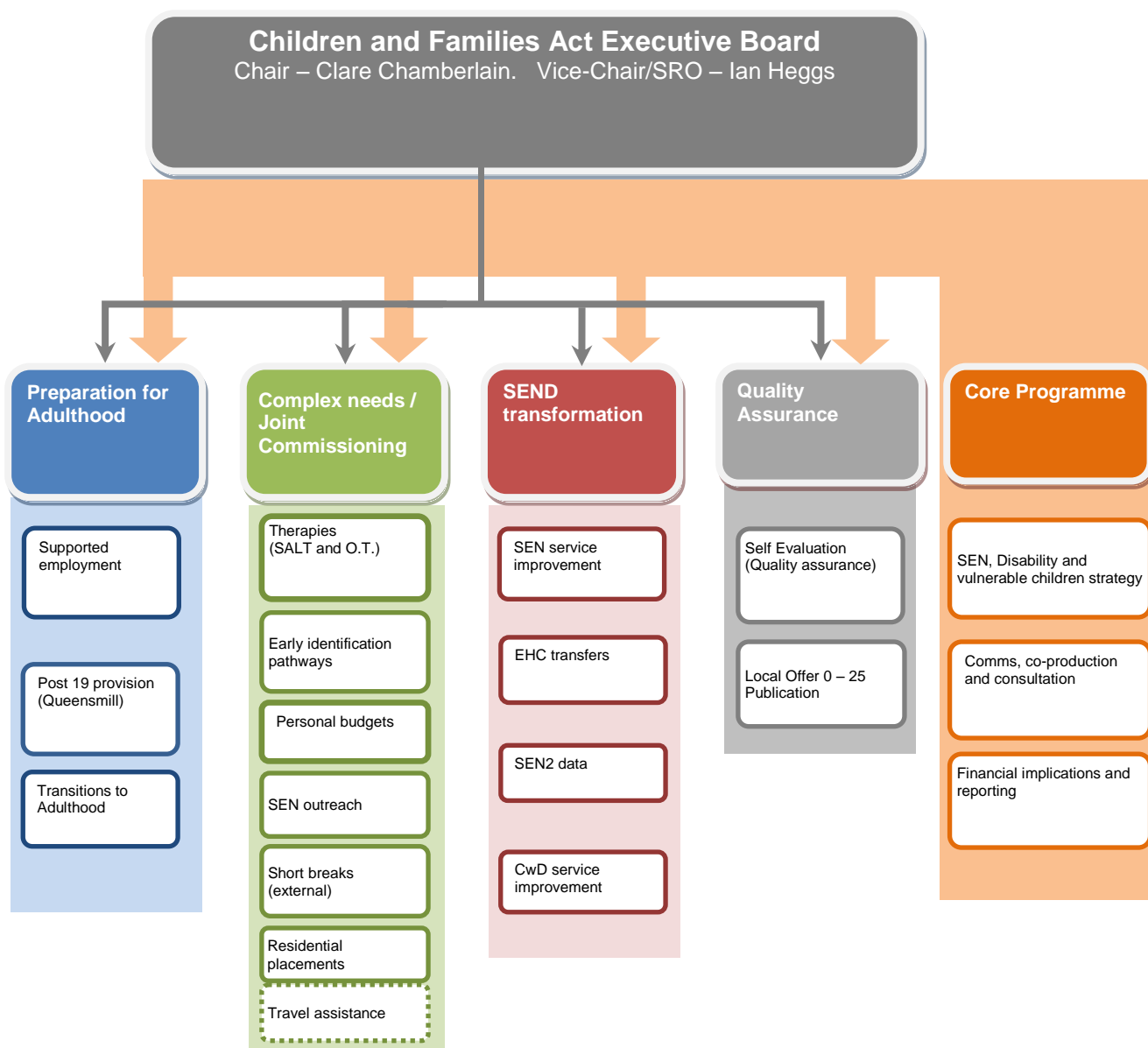
Children, young people and their families will see a positive change with improved holistic and joined up services, better access to information and advice and a greater focus on putting the child and family at the centre of assessment.

Staff will benefit from improved processes and pathways and a more holistic and joined up approach.

Project/Programme Structure

Details of the Project/Programme and Options

Proposed programme structure to March 2018



4.1.2 Project Delivery Stages

Some of the projects and initiatives are at delivery stage, others are at planning stage:

	Delivery Stage	Planning Stage
Preparation for Adulthood	Supported Employment	Transitions to Adulthood (pt 2)
	Post 19 Provision	
	Transitions to Adulthood	
Complex Needs / Joint Commissioning	Joint Commissioning Strategy	Early Identification Pathways
	Re-Commissioning of Speech and Language Therapy	Development and Commissioning of SEN Outreach Services
	Personal Budgets	Re-commissioning of Occupational Therapy
		CWD Short Breaks (External)
		SEN Residential Placements
		CWD Residential Strategy
		Resource Allocation System
SEND Transformation	SEN Service Improvement	Possible Integration of SEN and CWD teams
	EHC Transfers	
	SEN 2 Data	
	CWD Service Improvement	
	Transfer Team Recruitment	
	Resource Centre for Disabled Children	
Quality Assurance	Self-Evaluation	
	Local Offer 0 – 25 Publication	Further development of the Local Offer website
Core Programme	Comms, co-production and consultation	SEN, Disability and Vulnerable Children Strategy
	Financial implications.	

4.2 SEN Transfer Review Team

Under the terms of The Children and Families Act 2014, Local Authorities are responsible for ensuring that all children who currently have a Statement of SEN are re-assessed under the new EHCP framework, and, if appropriate, transferred to an EHC Plan by April 2018. Making this transition presents challenges both in terms of developing the necessary workforce and skills to support new ways of working, and the extra capacity needed to deliver a more comprehensive and better coordinated assessment of needs. Locally there has been the additional challenge of making these changes at a time when management priority has been on establishing and embedding a 3 Borough SEN Service.

As of August 2016 there are 677 existing Statements of SEN in LBHF awaiting re-assessment and transfer to an EHC Plan. The process of transferring an individual child from a Statement to an EHC Plan must be completed with 18 weeks to meet statutory targets.

The recent publication of the first full-year performance data for Local Authorities shows all three Shared Services boroughs as amongst the poorest performers nationally in terms of the total number of current Statements that have been transferred to EHC Plans.

Although local performance may be explained to some extent by differences in approach across Authorities nationally, with regard to how comprehensively needs are re-assessed at the point of transfer, it represents a significant reputational issue for all 3 authorities, leaves the local area potentially vulnerable to an earlier Ofsted/CQC inspection and limits management capacity to focus on the wider strategic re-organisation of the SEN Service.

A key part of this business case is the proposal for a time-limited investment in the SEN Service, to support improved delivery of Education, Health and care Needs Assessments and to create an interim Education, Health and Care (EHC) Plan Transfer Review Team.

The requested investment will be used to fund the management and staffing of the team to work alongside the current SEN Service for a fixed period of time as well as core SEN staffing to enable more EHC Needs Assessments to be completed within 20 weeks. The Transfer Review Team will take on sole and dedicated responsibility for the re-assessment and transfer of existing SEN Statements to EHC Plans.

4.3 Resourcing

Transfer Team Resourcing

The business case requests a one-off investment to establish a time limited Transfer Review Team. This is an “invest to save” and the investment will be shared across the three boroughs. The investment will fund both a small team of transfer review Keyworkers, plus a manager and Business Support Officer, who will focus on the transfer of statements to EHC Plans and core SEN staffing to enable more Educations Health and Care Needs Assessments to be completed within 20 weeks. The total investment requested from LBHF is £500,000 – profiled as Sept 16 – March 17 £125k; April 17 – March 18 £250k; April 18 – Sept 18 £125k.

4.4.2 Programme and Project Resourcing

Across the three boroughs there is a single programme which is overseeing the work to implement the changes required by the CFA. The programme is overseen by the Children’s Portfolio team with a dedicated programme manager. The projects within the programme have been resourced through a mix of business as usual commissioning and operational resource.

The business case also requests investment from LBHF to cover the costs of additional change support (beyond what has been deployed to date) of £187,500 from LBHF. This consists of programme and project capacity for a period of 18 months and includes support to deliver the savings proposed. The costs of the programme resource will be apportioned across the three boroughs.

Cost and Timescales

4.5.1 Timescales

The core programme is already in place. All elements within the programme will complete by April 2018.

Costs:

Type of Savings/MTFS Savings to be Delivered Cumulative	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Comments
DCT savings		122	122	122	122,000	
Special Education Needs (SEN) and Educational Psychology Services -		13	13	13	13	Increase contribution from DSG and buyback charges to support SEN functions
Special Education Needs Service – Increase the use of Independent Travel Training with escorts as appropriate, for 14-25 year olds		50	50	50	50	
Renegotiation of contract for education input to EHC plans at 16.		39	39	39	39	
Total Savings		224	224	224	224	
Investment Costs	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Comments
Ongoing costs						
One-Off Costs – Transfer review team	125	250	125			
One-off costs – Change Support	62	125				
Total Investment Costs	187	325				
Return on Investment /Payback Period (years before investment recovered)						Investment paid back in 3 years

Benefits (savings, income and non-tangible benefits)

This programme is based on the need to comply with the requirements of the SEN and Disability Code of Practice 0 – 25 (January 2015) and the risks associated with

non-compliance. This would bring the Council into disrepute and risk litigation from parents of children with SEND and others.

An associated driver is the risk of not being able to achieve a successful Ofsted / CQC inspection.

Significant elements within this compliance include:

- The requirement to deliver EHC Plans within the allotted time scales
- The requirement to transfer all existing Statements to EHC Plans by April 2018
- The requirement to have a robust published local offer
- The requirement to demonstrate a joined up approach across all partner agencies
- The requirement to extend the remit of SEND provision from 0 – 25
- The requirement for co-production and the child and family to be at the heart of that co-production

As demand led services, there is a significant financial risk associated with changing population needs and the evidence suggests that there is likely to be an increase nationally and locally in the demand for services.

As part of and in addition to the need to comply with the Code of Practice there are many benefits to customers and staff.

These include a holistic and joined up approach for children, young people and their families; clear and transparent pathways and processes; good and outstanding local provision, including post 19 provision; a whole life, whole family approach, supported by personal budgets; early intervention, prevention and forecasting of demand.

Risks

The current programme is already established and risk reporting is in place. The programme has a RAG of Amber/Green and the top risks are listed below.

Key risks and issues:	Mitigating Action for Risks and Issues:
<ol style="list-style-type: none"> 1. Capacity and capability in SEN 2. Budget overspend. 3. Lack of robust data will make reporting to Ofsted difficult. 4. Service review may add further 	<ol style="list-style-type: none"> 1. Re-organisation of SEN team 2. Work underway to realign Burden and Reform Grants. 3. Work to understand areas of risk. Use system reporting tools when in place. Increased rigour in reporting

<p>uncertainty and change for staff.</p> <p>5. Resource impact of QA board action plans.</p> <p>6. Post 19 – challenging stakeholder relationships</p>	<p>panel decisions</p> <p>4. Ensure action plans match to existing work and understand impact of any change of direction. Ensure communication is cascaded via team meetings.</p> <p>5. QA board and SROs to determine how to resource actions plans with SROs.</p> <p>6. Careful stakeholder management between LA, school and parents.</p>
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Links with Other Initiatives and dependencies

There are links and potential dependencies with Adult Social Care, Public Health and Health Services. There are also links to Smarter budgeting business cases around “improved the public realm for residents with special needs” and “Supporting employment and training for vulnerable groups”. A key purpose of the programme is to ensure that these links and dependencies are managed.

Business Case – summary of the proposal / justification of the investment – what is being requested

This is a compliance programme which must deliver the statutory obligations of the Children and Families Act 2014 and meet the Ofsted and CQC inspection requirements.

The core elements of the programme are structured to deliver the following:

- The appropriate provision at right cost to meet known and predicted need and achieve outcomes. This is to both meet existing commitments and reduce future pressures helping to stabilise demand.
- Appropriate pathways, processes and organisational structures
 - o Early intervention, prevention and forecasting demand to reduce spend and prevent high cost transfers to adults’ services.
 - o Moving to a “whole life, whole family” approach, using pathways such as age or special educational need, potentially supported by personal budgets.
 - o Improved pathways and processes to ensure appropriate use of provision and services
 - o Clear pathways to and through transition, with shared responsibilities and transparent decision making.


o Over time the delivery of efficiencies in the numbers of staff required to deliver these processes

Funding is being requested for programme resourcing and a one-off time limited investment to support the improved delivery of Education, Health and Care Needs Assessments and also to create an interim EHC Transfer Review Team to undertake transfer reviews for all remaining SEN Statements by April 2018.

Appendix Two

2017/18 Invest to Save Bid

Business Case:	Business Case 4 – Special Educational Needs and Disabilities			
Outcome:	Best Start in Life		Dept:	Children's
Invest to Save Funding Required				
16/17 £000s	17/18 £000s	18/19 £000s	Total £000s	Why is Invest to Save Funding Required? Detailed explanation of what costs the funding will cover (<i>note Invest to saving funding is one-off funding, any growth associated with a business case should be netted of the gross savings and the net saving reported in the MTFS.</i>)
187.5	375	125	687.5	
MTFS Savings to be Delivered				This is a compliance programme which must deliver the statutory obligations of the Children and Families Act 2014 and meet the Ofsted and CQC inspection requirements. Across the three boroughs there is a single programme which is overseeing the work to implement the changes required by the CFA.
17/18 £000s	18/19 £000s	19/20 £000s	20/21 £000s	
224	224	224	224	
			£'000s	The business case requests a one-off investment to support the delivery of Education, Health and Care Needs Assessments within 20 weeks and establish a time limited Transfer Review Team. This is an "invest to save" and the investment will be shared across the three boroughs. The investment will fund both transfer review Keyworkers, who will focus on the transfer of statements to EHC Plans and core SEN staffing to enable more Educations Health and Care Needs Assessments to be completed within 20 weeks. The total investment requested from LBHF is £500,000 – profiled as Sept 16 – March 17 £125k; April 17 – March 18 £250k; April 18 – Sept 18 £125k.
Total savings year 1 to 5			1120	
Total savings year 1 to 10			2240	
Payback Period (years before investment recovered)		3.1 years		The business case also requests investment from LBHF to cover programme and change support costs for a period of 18 months to April 2018. The costs of the programme resource will be apportioned across the three boroughs. The investment requested from LBHF is £187,500. Total investment requested is £687,500.
Supporting Data (<i>savings to be delivered, risks, Etc.</i>)				
A business case has been developed as part of smarter budgeting process.				

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">7 NOVEMBER 2016</p>	
<p>SMARTER BUDGETING, BEST START IN LIFE OUTCOME 2</p> <p>MAXIMISING CHILDREN'S SOCIAL CARE EFFECTIVENESS' BUSINESS CASE</p>	
<p>Report of the Cabinet Member for Children and Education – Councillor Sue Macmillan</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p> <p>Key Decision Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Directors: Steve Miley / Dave Mcnamara</p>	
<p>Report Author: Kevin Gordon Strategic Commissioner (Interim)</p>	<p>Contact Details: Tel: 07739 317283 E-mail: kevin.gordon@rbkc.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 Maximising Children's Social Care Effectiveness' is a programme of work that brings together a series of efficiency projects and invest to save proposals that support embedding of Focus on Practice and achieve a step change in how Children Social Care Services are delivered in Hammersmith & Fulham.
- 1.2 The programme incorporates a number of complimentary projects across two broad themes, managing demand and increasing capacity and effectiveness.
- 1.3 The Smarter Budgeting Member challenge panel on 27th June 2016 agreed for the business case for Maximising Children's Social Care Effectiveness' to be taken forward and developed. This report seeks agreement to fund the full business case seeking Cabinet approval/authority to proceed.

2. RECOMMENDATIONS

- 2.1. To approve the business case for Maximising Social Care Effectiveness BC2 (appendix 1) as part of Outcome 2, Best Start in Life, Smarter Budgeting Programme.
- 2.2. To approve the resources required to deliver this invest to save programme. The investment requirement will need to be funded from the Efficiency Projects Reserve.

3. REASONS FOR DECISION

- 3.1 Significant efficiencies have already been achieved in Family Services with combined savings of over £8.7m in the last four years. But there it still much to accomplish in order to stabilise demand and improve services. The rate of children in care reductions has stalled, and the cost base for providing statutory Children's Social Care services remains disproportionately focused on a small number of high need children. Further budget reductions need to be tactical, ensuring safe withdrawal of high cost support, enabled by effective demand management and preventative & divisionary activity.
- 3.2 Without concerted action to reduce LAC and placement costs, options for budget savings are limited to cutting staffing in front line teams. Further falls in social work capacity will result in a downward spiral of reduced intervention, with family's needs not being addressed and managed safely in the community leading to more Children coming into care. The Looked After Children placement budget received growth of almost £1.5 million in 15/16 to stabilise costs and meet demand, this was preceded by an overspend of £700k in 14/15. Similar growth requirements and pressures are anticipated over the medium term if the measures outlined in the programme are not implemented.
- 3.3 This Business case have been through extensive internal, Member and Smarter Budgeting challenge sessions, which have helped develop and improve the proposals and plans.
- 3.4 The projects within this business case have been worked up following extensive engagement and idea generation activity, they represent the best opportunities for achieving savings in this area of Children Services.

4. PROPOSAL AND ISSUES

- 4.1 Rather than cutting budgets incrementally, Smarter Budgeting has nine outcomes, listed below, that reflect what residents tell us matter most. This programme will see us better align our strategy and resources with those outcomes, ensuring we deliver the best possible services for our residents and customers. Being the Best Council, providing Value for Money and promoting Social inclusion are the three common themes that underpin everything we do.

- Economic growth
 - The Best Start in Life for Children
 - Safer & Healthier place
 - Supporting Vulnerable Adults
 - Reducing Homelessness and Overcrowding
 - Decent Homes
 - Resident Involvement
 - Cleaner, Greener, Sustainable borough
 - Enabling Services
- 4.2 Smarter Budgeting seeks to replace the percentage cuts approach to budgeting with an innovation-led approach to the design and delivery of potentially new activities and services which best deliver strategic outcomes. In this way substantial savings across the council can be achieved by rooting out duplication, and ceasing activities that are no longer resident/customer-responsive or present good value for money.
- 4.3 Each outcome has a cross-functional team, supported by a corporate Smarter Budgeting programme team, Finance and Innovation & Change Management. The Smarter Budgeting programme is led by the Director of Delivery & Value and the Chief Executive and Strategic Finance Director are active on the governing Programme Board.
- 4.4 The Smarter Budgeting Programme has enabled Children's Services to examine its activity and spending across all service lines. This analysis has strengthened our existing plans to implement more sustainable and relevant interventions with Families in the Borough. Focus on Practice has been the primary change vehicle to support these changes. Focus on Practice ensures Families have more effective, relational, systemic and structured interventions from Social Workers and that this will promote parents' functioning and responsibility for their children, who will be safer and better nurtured.
- 4.5 The Maximising Children's Social Care Effectiveness programme is an enabling and complimentary programme of change to Focus on Practice. It aims to lever maximum benefit from the investment in enhancing staff capabilities, ensuring every hour of social work time and every contact with families is focused on securing effective and sustainable change. The Maximising Children's Social Care effectiveness programme has projects designed to increase the net time spent in direct contact with families as well as ensuring throughput of work is organised better. The programme will also pilot models to improve communication and relationships with former and potential users of the service, bringing flexibility to the traditional open or closed case work model of providing a service.
- 4.6 The demand management element of the programme will build upon the successful 'Family Assist' model of intensive interventions, which has already demonstrated its effectiveness, diverting a number of children from care and reducing budget pressures. A scaled up programme of diversion and de-

escalation of children into lower cost placements will help stabilise the Council's Looked after Children placement budget.

5. OPTIONS AND ANALYSIS OF OPTIONS

The options appraisal is;

- 5.1 **A) Do nothing** - The placement budget makes up a significant proportion of the Council budget for delivery of statutory Children's Social Work, the remainder of the budget is primarily made up of staffing costs. Therefore, the only viable alternative to making placement savings is reducing capacity in front line Social Work teams, by cutting the numbers of staff.
- 5.2 **B) Increase budget** envelope year on year to manage demand pressures.
- 5.3 **C) Implement a programme** to release efficiencies with a focus on demand management.
- 5.4 **The preferred option C**, implementing this programme to release capacity through more efficient delivery; alongside targeted demand management initiatives to stabilise and reduce Looked after Children numbers and placement costs.

6. CONSULTATION

- 6.1. Maximising Children's Social Care Effectiveness is an extensive change programme and we anticipate significant consultation and participation with staff groups and trade unions. Designing change with and around children and families will also be important and project evaluation will be developed alongside users. These will build upon existing feedback mechanisms, which include customer care surveys and regular feedback on practice quality.

7. EQUALITY IMPLICATIONS

- 7.1. This paper seeks authorisation to develop a series of projects, many of which will have equality implications as services change or are redesigned. Individual projects will need impact assessments carrying out as part of the change process. The programme board will ensure that a combined view of equality dimension and impact is considered.

8. LEGAL IMPLICATIONS

- 8.1. There are no legal implications at this stage of the process. Subject to approval to develop the projects within the Business case, the Programme team and Legal Services will work closely together to fully assess current and possible future legal implications.

Implications verified/completed by: Andre Jaskowiak, Senior Solicitor, Shared Legal Services

9. FINANCIAL IMPLICATIONS

- 9.1 Up-front investment of £1.701m is required to deliver the savings set out in the report. These are expected to be £797,000 in 2017/18 increasing to £1,365,000 per annum by 2020/21. A detailed breakdown of how the savings are to be achieved is set out in both the full Business case in appendix 1 and the 2017/18 Invest to Save Bid finance template appendix. The up-front funding will be met from the Efficiency Projects Reserve. Monthly monitoring will be required on the use of the funding and delivery of the savings

Invest to Save Funding Required			
16/17 £000s	17/18 £000s	18/19 £000s	Total £000s
446	1,055	200	1,701

MTFS Savings to be Delivered			
17/18 £000s	18/19 £000s	19/20 £000s	20/21 £000s
797	1,261	1,365	1,365

	£'000s
Total savings year 1 to 5	6,153
Total savings year 1 to 10	13,978
A further £350k saving may be possible from 19/20. This sum is currently held as contingency to fund elements of family assist to sustain placement reductions in the long term.	350

Payback Period (years before investment recovered)	1.72 years (against agreed)
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Implications verified/completed by:

Implications verified/completed by: (Andrew Lord, Head of Strategic Planning and Monitoring, Corporate Finance, Extension 2531).

10. IMPLICATIONS FOR BUSINESS

- 10.1 There are no immediate implication for Business.

11. OTHER IMPLICATION PARAGRAPHS

- 11.1. There are no other immediate implications for Procurement, IT strategy, risk management, property, business intelligence, health and wellbeing, Section 106 and PREVENT, although these will be reviewed regularly as the projects in the programme develop.

12. BACKGROUND PAPERS USED IN PREPARING THIS REPORT


None

LIST OF APPENDICES:

Appendix 1) Maximising Social Care Effectiveness BC2

Appendix 2) 2017/18 Invest to Save Bid Finance template

Appendix 1) Maximising Social Care Effectiveness BC2

		<h3>Smarter Budgeting Programme – Outcome 2 Business Case 2 ‘Maximising Children’s Social Care Effectiveness’</h3>
<p>By signing this document the signatories below are confirming their acceptance of the detail contained within this document.</p>		
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CHANGE HISTORY

Version Number	Date	Details of changes made to the business case	Author(s)
1.3	14 th Sept 16	Changes made to Outcome section following Members briefing	Kevin Gordon

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1 MANAGEMENT SUMMARY

'Maximising Children's Social Care Effectiveness' is a programme of work that brings together a series of efficiency projects and invest to save proposals that support embedding of Focus on Practice and achieve a step change in how Children Social Care Services are delivered in Hammersmith & Fulham.

The programme incorporates a number of complimentary projects across two broad themes, managing demand and increasing capacity and effectiveness.

Children's Social care are fortunate to be participating and shaping initiatives nationally like Focus on Practice and Partners in Practice, the challenge now, is to lever maximum benefit from the investment in enhancing staff capabilities, ensuring every hour of social work time and every contact with families is focused on securing effective and sustainable change. The Maximising Children's Social Care Effectiveness programme has projects designed to increase the net time spent in direct contact with families as well as ensuring throughput of work is organised better. The programme will also pilot models to improve communication and relationships with former and potential users of the service, bringing flexibility to the traditional open or closed case work model of providing a service.

The demand management element of the programme will build upon the successful 'Family Assist' system of intensive interventions, which has already demonstrated its effectiveness, diverting a number of children from care and reducing budget pressures. A scaled up programme of diversion and de-escalation of children into lower cost placements will help stabilise the Councils Looked after Children placement budget.

1.1 Stakeholders

In addition to front line staff, leaders and managers in Family Services, the project will rely on support from enabling teams including Commissioning, Projects & Portfolio support, HR and ICT. Designing change with and around children and families will also be important and the projects and evaluation will be developed alongside users. These will build upon existing feedback mechanisms, which include customer care surveys and regular feedback on practice quality.

2 NEED FOR CHANGE

Significant efficiencies have already been achieved in Family Services with combined savings of over £8.7m in the last four years. But there it still much to accomplish to stabilise demand and improve services. The rate of children in care reductions has stalled, and the cost base for providing statutory Children's Social Care services remains disproportionately focused on a small number of high need children. Further budget reductions need to be tactical, ensuring safe withdrawal of high cost support, enabled by effective demand management and preventative & divisionary activity.

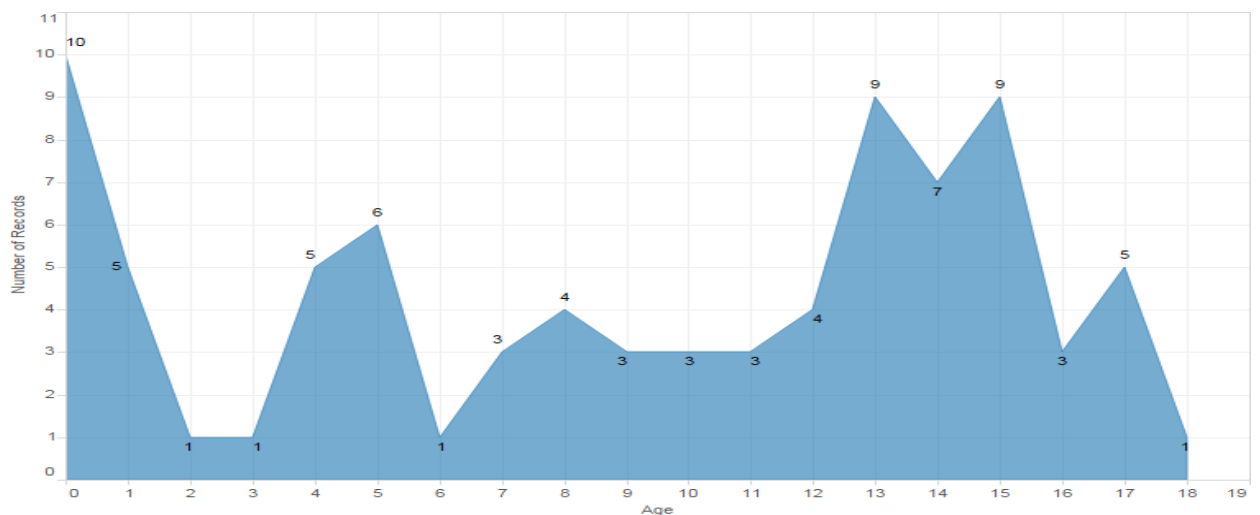
The Smarter Budgeting business case one proposal for Integrated Family Support provides a long term sustainable approach for earlier intervention and better support for families at tiers 1,2,3, (before the statutory social care threshold). However, in the short to medium term, there are families whose needs and risks will reach beyond Integrated Family Support and Early Help Services, requiring a statutory/Children’s Social Care intervention.

2.1 Current Situation

Recent case file analysis indicates that over 50% of young people entering care are aged 11+. The reasons for entering care and the level and complexity of need are far more diverse amongst this age group: many will have experienced abuse or neglect and a mixture of acute family stress, family dysfunction and socially unacceptable behaviour. Many face challenges with mental and emotional health, special educational needs and substance misuse.

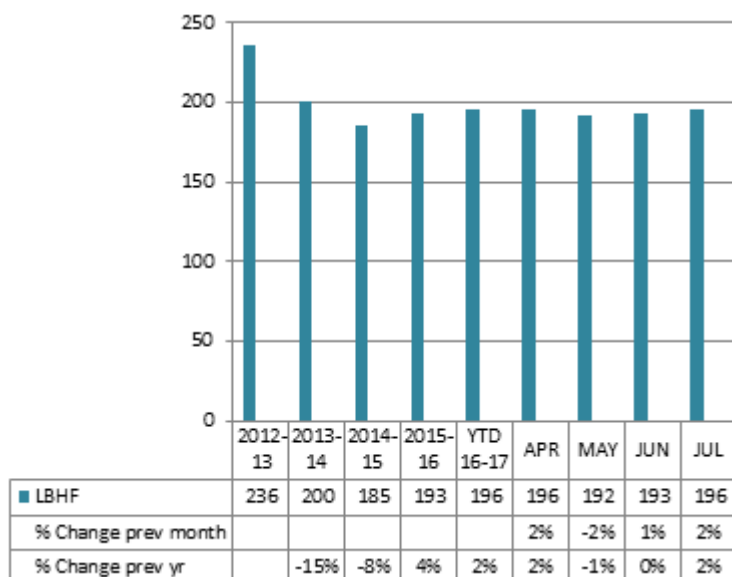
Adolescents entering care tend to experience a larger number of placements, a more disrupted experience of care, poorer outcomes in education and are at increased risk of struggling when they leave care. This often results in higher placement costs due to the young people’s complex needs, with many having experienced difficulties over some years requiring support beyond that which can be provided by our in-house foster carers.

Figure 1: Age on entry to care 2015-16



The looked after children population reductions have plateaued after a reduction in the last 5 years (figure 2), the cost base remains disproportionately focused on a small number of high cost children reducing our ability to invest earlier and prevent family's needs intensifying.

Figure 2: Children in Care 2010 - 2016



The strong focus on permanency planning and successfully supporting children and young people to exit care through use of adoption, special guardianship arrangements, has been the main contributor to this reduction. However, figure 3 illustrates that the demand for care placements has not fallen, and without provision of alternatives, this demand will result in an increased cost base and further pressure on the Councils Looked after Children placement budget.

Fig3 Children entering care 2005 - 2016

Year ending March	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Number of children	165	135	125	100	95	80	75	86	105	134	97	116

2.2 Consequences of Inaction

Without concerted action to reduce LAC and placement costs, options for budget savings are limited to cutting staffing in front line teams. Further falls in social work capacity will result in a downward spiral of reduced intervention, with family's needs not being addressed and managed safely in the community leading to more Children coming into care. The Looked After Children placement budget received growth of almost £1.5 million in 15/16 to stabilise costs and meet demand, this was preceded by an overspend of £700k in 14/15. Similar growth requirements and pressures are anticipated over the medium term if the measures outlined in the programme are not implemented.

3. Vision

Through Focus on Practice, systemic practice will support better life chances. Families will have more effective, relational, systemic and structured interventions from social workers and that this will promote parents' functioning and responsibility for their children, who will be safer and better nurtured.

This programme will support the freeing up of resources including placement costs and time taken in supporting Children in Care. Valuable social work capacity will be freed up to enable Focus on Practice to further flourish.

The aims of Maximising Children's Social Care Effectiveness programme bring to life the Corporate Plan/Manifesto commitments to *Provide the best start for young people* in tandem with *Delivering greater efficiencies in public spending*.

3.1 Measuring Success & Effectiveness/Outcomes

The programme will use a mixture of existing and new measures to track delivery of savings and benefits. The Monitoring and tracking systems be focused on a suite of outcome indicators that measure the impact of the programme in diverting Children from care and moving others to more appropriate less intensive placements.

Programme indicators	How they will be used to measure impact
Net reduction in numbers of looked after children	Global indicator of programme success, currently 196 or 57.1 per 10,000 of child population - we would anticipate this figure reducing
Net reduction in placement costs	Global indicator of placement success, will be used to measure the financial impact of less admissions into care and the savings made by providing support to Children to sustain or move to a less intensive placement.
Reduction in rate of entries into care	Key performance indicator measuring effectiveness of the Family Assist 1 Demand management team.
Placement status of cases 3,6,12 months following Family Assist interventions	This second key performance indicator will help assess if the interventions applied by Family assist result in sustainable change and prevents entry into care or maintains placement stability.
Reduction in Residential placements Reduction in high cost Fostering placements	These indicators measure the extent to which intervention by Family Assist are successful in providing support for Children's needs to be met in lower tariff/ less intensive placements

Outcome measures for the capacity increases and Social Work effectiveness side of the programme will include;

Programme indicator's	How they will be used to measure impact
Increase in social worker time & capacity	Key determinant of social work effectiveness is the actual time spent in engaging and carrying out interventions with Families. A historical audit provides a baseline of 20%. This indicator will measure how social workers time is freed up to enable more face to face contact.
Improvement in case management performance as measured by the existing Children's social care performance measures.	The existing comprehensive suite of Govt. indicators provides a baseline to measure improvements in case flow, timeliness and outcomes.
Improvement in applied Focus on Practice.	Work will take place with the Clinical Focus on Practice (FOP) team to develop methods that measure how increased social work capacity improves the application of FOP practice methodologies (MST, Signs of Safety etc.)

3.2 Future Operating Model & Change Impact

The Future Operating Model will include a set of enhanced capabilities that will include;

- Direct work with families increased to 40%. We want to reduce the time that social workers spend on bureaucratic and administrative tasks, which although sometimes important, takes time away from face to face work.
- A decrease in failure demand rates and re-referrals as methods for maintaining contact with families who are likely to be future services users are embedded.
- The rate of children and young people entering care is reduced because of increased intensity of provision earlier in their lives.
- Demand on the Looked after Children placement budget is stabilised for the next 5 years.

4 PROJECT/PROGRAMME STRUCTURE

The Programme is made up of a series of individual **Projects (A-G)** that collectively will reduce demand and reshape how Children's Social Care is delivered.

4.1 Details of the Projects

Project	Description
<p>Project A - Release Social Work capacity to increase direct interventions and face to face time with families.</p>	<p>Pilot to create 'social work support' posts that free practitioners to do more direct work with families.</p> <p>Development of a test bed for other ideas to release social workers from non-value added activities, including deploying technology to drive time savings and efficiencies.</p>
<p>Project B Maintenance – Allocated for life</p>	<p>Developing new ways of working to contact families after their case has been closed to offer a 'top up' service in order to reduce re-referrals and sustain change.</p>
<p>Project C Relationships Break/ Reduction in Hand offs</p>	<p>Examination and improvement of work flow using lean process methodology to reduce hand off points and inefficiencies caused by re-assessment and changes of worker.</p>
<p>Project D Focus on Parenting</p>	<p>Increase parenting interventions, particularly for under 11's this will include examining and reshaping existing provision increasing capacity for Family Coaches and/or Practical Parenting support workers.</p>
<p>Project E Predicting earlier the Cohort who may become adolescent LAC</p>	<p>Develop and implement proposals to identify children and young people who are likely to become looked after earlier.</p>
<p>Project F – Family assist mk1 preventing care entry</p>	<p>Establish a family support team to work directly and intensively with young people and their families at the edge of care to keep families together and prevent entry into care.</p>
<p>Project F – Family assist mk2 – supporting LAC/CL to step down and stabilising placements</p>	<p>Establish an invest to save team to work directly and intensively with Looked after and Care leavers to stabilise existing placements, support others to move into lower cost provision and independent living.</p>
<p>Project G Action for Change</p>	<p>A team that works with birth parents who have gone through care proceedings in order to reduce future removals and associated costs. (Growth bid)</p>
<p>Project H Placement Commissioning</p>	<p>Reduce unit costs of placements by better procurement and market management</p>

4.2 Cost and Timescales

The main programme activity is anticipated to take place over the next two to three years starting in September 2016. The one off investment cost is **£1701,000** to deliver an ongoing saving of **£1365,000**. The business case has a payback period of less than 2 years and the savings are net/cashable savings and do not include any calculations for cost avoidance. Future cost avoidance is likely to be in the region of £2-3 million based upon historical cost pressures in the Looked after Children's Placement budget.

Type of Savings/MTFS Savings to be Delivered Cumulative	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Comments
Placement budget reduction in usage – mainly attributable to Family Assist 1, Increasing Capacity & Maintenance, Parenting Support, Action for Change		£530	£920	£920	£920	Includes £90k net savings from Action for Change from 18/19
Placement budget reduction in usage and in unit costs i.e. high tariff & need– mainly attributable to Family Assist 2		£267	£591	£695	£695	
Project H Placement Commissioning - - Reduce unit costs of placements by better procurement and market management			£100	£100	£100	

Ongoing costs - Family Assist and LAC Assist.			-£350	-£350	-£350	
Savings						
Total cashable Cumulative Savings		£797	£1,261	£1,365	£1,365	
Investment Costs/Invest to Save Funding Required	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Comments
Project A – Release Social Work capacity to increase direct interventions and face to face time with families.	£43	£44				Cost to cover pilot of social work support officers
Project B Maintenance – Allocated for life	£33	£33				Cost will cover agency social work backfill to enable pilot
Project D Focus on Parenting		£200	£200			Cost of developing new role of Family Coaches and practice family support , recommissioning costs of reshaping existing parenting provision
Project E Predicting earlier the Cohort who may become adolescent LAC						Cost met within existing resources

Project F – Family assist mk1 preventing care entry	£134	£267				
Project G – Family assist mk2 – supporting LAC/CL to step down and stabilising placements	£155	£311				
Project H Placement Commissioning - - Reduce unit costs of placements by better procurement and market management		£100				Capacity to improve commissioning approach to placements, reducing unit costs.
Programme Management costs	£81	£100				
Total Investment/One off Costs	£446	£1095	£200			£1701
Ongoing costs						
Family Assist and LAC Assist growth subsumed		£350	£350	£350	£350	
Return on Investment /Payback Period (years before investment recovered)						Investment paid back at end of 18/19

Timescales

	16/17								17/18											
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Project A - Release Social Work capacity to increase direct interventions and face to face time with families.	Scoping & Planning	Scoping & Planning	Scoping & Planning	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Review	Review	Review	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation
Project B Maintenance – Allocated for life	Scoping & Planning	Scoping & Planning	Scoping & Planning	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Review	Review	Review	Implementation	Implementation	Implementation	Implementation	Implementation
Project C Relationships Break/ Reduction in Hand offs	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Review	Review	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation
Project D Focus on Parenting	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Review	Review	Implementation	Implementation	Implementation
Project E Predicting earlier the Cohort who may become LAC	Scoping & Planning	Scoping & Planning	Scoping & Planning	Scoping & Planning	Scoping & Planning	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation
Project F Family assist mk1 preventing care entry	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Review	Implementation	Implementation	Implementation	Implementation	Review	Implementation	Implementation	Implementation	Implementation	Implementation
Project F Family assist mk2 – supporting LAC/CL to step down	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Review	Implementation	Implementation	Implementation	Implementation	Review	Implementation	Implementation	Implementation	Implementation	Implementation
Project G Action for Change	Scoping & Planning	Scoping & Planning	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Review	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation
Project H Placement Commissioning	Scoping & Planning	Scoping & Planning	Scoping & Planning	Scoping & Planning	Implementation	Implementation	Implementation	Implementation	Implementation	Review	Review	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation
	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation

Description	
Scoping & Planning	Scoping & Planning
Piloting	Piloting
Implementation	Implementation
Review	Review

4.3 Links with Other Initiatives and dependencies

Integrated Family Support and Children’s Social Care Innovative are complementary programmes of change, although focused at different thresholds of intervention, the common objectives of reducing demand and supporting families’ earlier, thread through both initiatives. Learning and analysis from both programmes will be used to shape final service design, for example Integrated Family Support workers identifying and working with children who without appropriate interventions may go on to become looked after.

5 BUSINESS CASE/OPTIONS APPRAISAL

The options appraisal for Children’s social care innovation is;

1. **Do nothing savings will mainly come from cutting staff in the front line teams.**
2. **Increase budget envelope year on year to manage demand pressures.**
3. **Implement a programme to release efficiencies with a focus on demand management.**

The preferred option is 3, implementing this programme to release capacity through more efficient delivery; alongside targeted demand management initiatives to stabilise and reduce Looked after Children numbers and placement costs.

6. Risks, Issues and Assumptions

Risk	Likelihood	Impact	Mitigation
Front line staff not involved and bought into the changes.	Medium	Increasing social work capacity and reducing hand offs & relationship breaks rely on front line staff being open to new ways of working and ideas.	Representatives from staff teams to participate in project design workshops Regular communication Staff involved in measuring and evaluating the Pilot.
Increased demand for Social Care Services reduces management and staff time to implement change	Medium Increased demand may arise as a result of economic downturn.	Projects stall as management time is reprioritised	Monitoring of demand to take place as part of monthly performance slot at FSMT
Instability, turnover and vacancies in front line staff prevent change embedding	Low Recent recruitment exercise have been successful		Workforce recruitment & retention project to take place alongside this programme

Appendix 2 2017/18 Invest to Save Bid Finance template

2017/18 Invest to Save Bid

Business Case:	BC 2 'Maximising Children's Social Care Effectiveness'
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Outcome:	Best Start in Life
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Dept:	Children's
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Invest to Save Funding Required			
16/17 £000s	17/18 £000s	18/19 £000s	Total £000s
446	1,055	200	1,701

MTFS Savings to be Delivered			
17/18 £000s	18/19 £000s	19/20 £000s	20/21 £000s
797	1,261	1,365	1,365


	£'000s
Total savings year 1 to 5	6,153
Total savings year 1 to 10	13,978
A further £350k saving may be possible from 19/20. This sum is currently held as contingency to fund elements of family assist to sustain placement reductions in the long term.	350

Payback Period (years before investment recovered)	1.72 years (against agreed)
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<p>Supporting Data</p> <p><i>(savings to be delivered, risks, Etc.)</i></p> <p>The main programme activity is anticipated to take place over the next two to three years starting in September 2016. The one off investment cost is £1701k to deliver a saving of £1365. A further £350k of savings has been identified as a reserve/ contingency enabling long term funding of some elements of the Family Assist/Action for change teams. The business case has a payback period under 2 years. the savings are net/cashable and do not include any calculations for cost avoidance. Future cost avoidance is likely to be in the region of £2-3 million based upon historical cost pressures in the Looked after Children's Placement budget.</p> <p>It is anticipated that further savings and efficiencies delivered as part of this business case will secure the long term funding of the Focus on Practice Clinical Team. This will be reviewed in summer 20</p>

<p>Why is Invest to Save Funding Required?</p> <p>Detailed explanation of what costs the funding will cover (<i>note Invest to saving funding is one-off funding, any growth associated with a business case should be netted of the gross savings and the net saving reported in the MTFS.</i>)</p> <p>What other funding sources were considered?</p>
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<p>Please see full BC attached</p> <p>Key points why invest to save needed</p> <p>Rate of children in care reductions has stalled, the cost base for providing statutory CSC services remains disproportionately focused on a small number of high need children.</p> <p>Likelihood of government grant increases or other funding sources to support placement costs growth is small given Local Government funding settlements</p> <p>Further budget reductions need to be tactical, ensuring safe withdrawal of high cost support, enabled by effective demand management and preventative & divisionary activity.</p> <p>Without concerted action to reduce LAC and placement costs, options for budget savings are limited to cutting staffing in front line teams. Further falls in social work capacity will result in cost pressures for future years</p> <p>The Looked After Children placement budget received growth of almost £1.5 million in 15/16 to stabilise costs and meet demand, this was preceded by an overspend of £700k in 14/15.</p> <p>Similar growth requirements and pressures are anticipated over the medium term if the measures to reduce demand proposed in the Maximising Children's Social Care Effectiveness' programme are not implemented.</p>
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<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">Cabinet</p> <p align="center">7 NOVEMBER 2016</p>	
<p>TRAVEL CARE AND SUPPORT SERVICES</p>	
<p>Report of the Cabinet Member for Children and Education – Councillor Sue Macmillan</p>	
<p>Open Report</p> <p>A separate report on the exempt part of the agenda provides exempt information, strategic information (the exempt appendix 1) and exempt financial information (the exempt appendix 2).</p>	
<p>Classification: For Approval</p> <p>Key Decision: Yes</p>	
<p>Consultation: Schools/Education (including Special Educational Needs) Family Services Procurement Legal Services Corporate Communications</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Rachael Wright-Turner, Director of Commissioning</p>	
<p>Report Author: Jody Nason, Strategic Commissioner</p>	<p>Contact Details: Tel: 07739 314473 E-mail: jody.nason@rbkc.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. Following the expiration of the West London Alliance Framework for transport services, a re-procurement of sovereign transport contracts will occur with an enhanced service specification to increase quality.

2. RECOMMENDATIONS

- 2.1. To extend current contracts with existing providers on the Westminster Framework for up to 5 months in order to align the start of a new service with the start of a new academic year in 2017.

- 2.2. To directly award contracts to existing providers on the West London Alliance Framework for up to 5 months in order to align the start of a new service with the start of the new academic year in 2017 and to also allow ASC services to adjust transport provision in the light of concurrent reviews of day care for Older People and People with Learning Disabilities.
- 2.3. To waive the Contract Standing Orders requirement for undertaking competitive bidding for these direct awards
- 2.4. To commence an open procedure re-procurement of a framework agreement for contracts, for a period of up to 7 years (5 + 2) beginning in summer 2017, on a sovereign basis for minibuses and taxis for home to school transport which can be accessed by both Children's and Adult Services.
- 2.5. To seek Cabinet approval in April 2017 for the award of the framework agreement and contracts to enable a full term for mobilisation of the new transport service contracts in time for a September 2017 start.

3. REASONS FOR DECISION

- 3.1. The West London Alliance (WLA) framework was procured on behalf of the West London Alliance, a partnership of seven West London Councils. This framework expired in July 2016 and whilst the contracts can continue beyond this date until they expire, they cannot be extended beyond this point and there would either have to be a direct award or re-procurement. The providers impacted by this decision are: Starbus, I.H.S, VIP Cars, Impact and Prestige.
- 3.2. The remaining contracts were procured through a Westminster framework and have the option to extend by up to two years. The providers procured through this framework are HATS, CT Plus, Westway and Radio.
- 3.3. There is therefore an absolute requirement for a new service to be in place as soon as is possible, which allowing for a full OJEU procurement exercise, will be Summer 2017, in time for a September 2017 start. Given this and the appetite of Members to enhance the quality of the service aligned to that delivered to Jack Tizard school, this presents an opportunity to enhance quality of the remaining LBHF transport through re-drafted specifications co-developed with service users, their carers and schools/day centres.

4. PROPOSAL AND ISSUES

Context

- 4.1. Due to the expiry of the frameworks as described above which were used to call off several of the shared transport contracts, there is a need for a new arrangement for transport services. Whilst the Westminster Framework enables extensions for a period of up to two years, this is on a shared services arrangement for the same, shared routes and providers.
- 4.2. Following a decision by members to re-procure routes for the Jack Tizard School in December 2015 on an enhanced specification, a new provider (CT

Plus) was awarded these routes. This provided an opportunity to test that the enhanced specification could provide the standard of service required by members.

- 4.3. The Jack Tizard contract which was awarded to CT Plus in April 2016 stipulated greater emphasis on the quality of service and on the individual needs of children using home/school transport. The vision was outlined to include the delivery of a high quality, transparent Travel Care and Support Service, which is first and foremost about caring for, and understanding the travel and mobility needs of vulnerable children. The service was co-designed and will be continually improved in partnership with service users and stakeholders.
- 4.4. Performance to date (from April 2016) is positive with all targets achieved (including the enhanced training requirements), no complaints and no defaults for poor performance issued by the TCST (Travel Care and Support Team). This demonstrates that a higher quality of service can be achieved through a more prescriptive specification with an emphasis on quality and outcomes for the children and young people and adults using the service. It is the Council's intention to replicate the better quality service across the Borough, to be achieved via a tender exercise, as described.
- 4.5. Following the success of the Jack Tizard service, a full re-procurement for transport services is recommended with a service start date of September 2017. In order to achieve business continuity from April 2017, an interim arrangement of contract extensions and direct awards is proposed and this is explained below.

Extension of service until September 2017

- 4.6. The current provision is purchased as part of a shared service arrangement with Kensington and Chelsea and with Westminster City Council. This arrangement provided a cost benefit through shared routes bundled together by end location. There are currently 6 shared minibus contracts and 4 shared taxi contracts.
- 4.7. The West London Alliance (WLA) framework was procured by the West London Alliance and as such was utilised by numerous boroughs within this arrangement.
- 4.8. The Westminster Framework was procured on behalf of the shared service arrangement.
- 4.9. The feedback from providers and stakeholders is that a preferred start date for any new service should coincide with the start of the new academic year. Therefore, it is proposed that these contracts be extended (either under a direct award or as permissible under the framework) to allow Hammersmith and Fulham to implement a new service model.

Service re-design and re-procurement

- 4.10. In addition to the framework and contract expiration, LBHF had an increase in the volume of complaints from 2014 which coincided with the implementation of a new service and new contracts which were shared service arrangements across the Local Authorities.
- 4.11. The success of the new service procured for the Jack Tizard school awarded to CT Plus, a community transport company has demonstrated that providers are able to deliver a quality service in line with LBHF's strategic ambition.
- 4.12. This has presented an opportunity to review the existing arrangements and to propose a re-procurement of transport aligned to LBHF's strategic objectives. This re-procurement will:
- Have a dedicated focus on LBHF residents.
 - Ensure an enhanced quality of service for services users, carers and parents.
 - Establish a strategic relationship between the council and providers.
 - Focus on contractors providing clear community benefits.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. This paper explores four core options as listed below and outlines their viability for LBHF. A full Option Appraisal is captured in the exempt Appendix 1 of the Confidential report 'LBHF Procurement Strategy'. In summary:
- Option A: Extend existing shared service arrangements.
 - Option B: Re-procurement of contracts due to expire on WLA framework across all three local authorities – continuation of shared routes but increased quality for LBHF.
 - Option C: Re-procurement of contracts due to expire on WLA framework in addition to HATS provision at a sovereign level with sovereign routes.
 - Option D: In-source some sovereign provision to return in-house and operate a mixed model of delivery.
- 5.2. It is assessed that for both Children's and Adult's passenger transport services Option C is viable and recommended for LBHF. However, ASC are also in parallel exploring an alternative option of one service, to see if it can deliver greater flexibility (see 5.9).
- 5.3. Options A and B would not allow for increased quality of specification due to the relative contentment of RBKC and WCC with the current quality of service. The two options that rely upon a continuation of the shared service arrangement could not be changed without agreement from the other two local authorities and there is no appetite for the increased cost that will accompany an increase in quality. Therefore these options are not viable for LBHF.
- 5.4. Option D was explored by officers as a potentially viable option as the anticipated costs of procuring sovereign contracts to a high service standard

and specification are likely to be in the region of those for an in house service model. In this context, the key differentiator between the two options is the level of direct management control available within an in house model, and reduced dependency on third parties. Following feedback from the Passenger Transport Working Party and the Cabinet Member for Education and Children, it was assessed that whilst viable, this option is not recommended for progression. This is because of the increased cost to the council due to direct delivery and also the now proven ability of the market to deliver a high quality service aligned to the council's strategic ambition (Jack Tizard routes.)

5.5. Option C therefore is recommended for progression by officers. This option will provide sovereign contracts with autonomy over the procurement exercise and contract management arrangements, and enable local service standards consistent with the Travel Care Service offered to Jack Tizard to be established (though for ASC, such high level of service may not be required). In order to establish a new framework agreement, an Open Procedure is recommended. The award criteria and weightings will broadly reflect those used within the Jack Tizard re-procurement (although this will be further refined during the co-design process that is underway now). The award weightings are anticipated to therefore be (reflecting the importance of quality):

- 60% quality
- 40% cost

5.6 The anticipated evaluation criteria on which the tender responses will be evaluated will include the following themes, which will be further enhanced during the co-design process:

- Vision and Key Outcomes for the service
- Management and Staffing structure of the provider(s)
- Communication with service users and the Council
- Mobilisation and ongoing Operation of the service
- Recruitment, Training and Development of providers staff
- Vehicles
- Licences for delivering the services
- Customer Care and Engagement with service users and parents
- Complaints Management

5.7 Option C would deliver an increased level of control for LBHF through the disaggregation of routes however this would be accompanied by a greater level of change and an increased cost of provision for all Boroughs, not just LBHF. Despite this, this option is recommended by officers as it more closely aligns to the strategic aims of LBHF.

5.8 Though ASC intends to make direct awards and reprocure for the majority of current services as set out in this report, the framework will allow the addition of a Day service not currently supported through by the travel contract if it proves economically viable.

- 5.9 Additionally, ASC are exploring an alternative means of delivery for one specific service, as set out below.
- 5.10 Options is a day service for people with Learning Disability, and a business case for this service to secure their own minibus, and for day centre staff to be trained as drivers and escorts is being developed.
- 5.11 This could enable a greater level of flexibility, and support customer choice and control (personalisation) in a way that a contracted service may not, and could also support the expansion of the service into evenings and weekends.
- 5.12 However, further work is required to establish if this is a more cost effective option.
- 5.13 Within ASC this development would sit alongside a review of the eligibility process for travel assistance, and a move away from the current assumption that transport (minibus or taxi) will be provided by the Council and towards options which encourage independent travel such as Independent Travel Training and the use of mileage allowance where it is cost effective to do so.

6. CONSULTATION

- 6.1. Consultation with stakeholders began with the establishment of the Passenger Transport Working party, a stakeholder-led group with the remit to oversee the transport provision in LBHF alongside changes and improvements (for example the Jack Tizard school routes.) This group was established following an increase in the volume of complaints from parents and dissatisfaction from school head teachers and significant levels of dissatisfaction from ASC services and users. The feedback from this group favoured re-procurement over an insourced model as attendees felt that the re-procured Jack Tizard routes had demonstrated that an outsourced service could deliver the enhanced service requested by LBHF.
- 6.2. Additionally, a full consultation with stakeholders is underway to obtain feedback on the current service provision and to understand what improvements can be made. This has so far taken the form of a paper based survey which was sent out to all 233 parents with children that use the service, and had a high response rate. For ASC this is 290 adult users and their carers. Additionally, school based sessions to engage on a face to face basis with parents and carers were delivered in schools to obtain feedback from teachers and SENCOs. For ASC a comparable programme of consultation sessions with service users at the 3 day services receiving the transport service is has taken place
- 6.3. One of the key learning points which arose from the Jack Tizard procurement concerned stakeholder feedback regarding the service specification. Co-development was a key feature in the development of the Jack Tizard revised specification which ensured that parents and service users were able to actively shape the content of the specification.

- 6.4. During ‘phase 1 consultation’ a small cohort of parents and schools (ideally 6-10 representatives) have been recruited to attend 2 workshops with the purpose of reviewing the service specification, ensuring that relevant feedback obtained through phase 1 is outlined and developing the content of the service specification:

Workshop	Key purpose
Workshop 1: Review and refresh of requirements and existing specification	Review of design principles, required outcomes and existing Jack Tizard specification.
Workshop 2: Sign off service specification	Development of draft specification and key performance indicators.
Communications to all parents and schools about specification developments.	To inform parents, schools and carers about key developments in project and service specifications.

- 6.5. Finally, continued engagement with schools and parents is proposed with a regular newsletter to be circulated throughout the procurement. Following contract award, sessions to meet key staff (such as drivers and escorts) will take place with a specific letter to parents containing route information. This is planned to coincide with the end of the summer term 2017.
- 6.6. A similar programme of information and engagement is planned for ASC services and users with a separate newsletter and updates during procurement and mobilisation.

7. EQUALITY IMPLICATIONS

- 7.1. An Equalities Impact Assessment (EIA) has been drafted. It has been assessed that for the purpose of this EIA, it is important to note that:
- Eligibility criteria for the service would not change, therefore individuals currently receiving transport services would continue to do so.
 - Training would be provided to transport crews on the specific needs of service users and the appropriate support techniques.
- 7.2. The nature of the service means that this impact will mainly be experienced by both younger and older residents and on those residents with disabilities. The service has been designed to improve the accountability of the service and to increase service user, parental and organisational confidence in the transport being provided. It would also improve the Council’s ability to respond to service issues, including staff training and responsiveness, and to provide a high level of assurance to those who use the service, their parents and carers. On this basis, the proposal can be assessed as having a positive impact on recipients

8. LEGAL IMPLICATIONS

Full legal implications are set out in the separate, exempt report.

9. FINANCIAL IMPLICATIONS

9.1. Full details of the current and future financial implications are captured within the exempt Appendix 2 of the Confidential report and have been supplied by Finance colleagues. In summary the financial impact has been modelled to include:

- Impact of sovereign routes on the provision currently shared across the shared service arrangement but focussed on the WLA provision and the largest provider on the Westminster Framework.
- The additional quality LBHF require from the service. This has been modelled on the outcome of the Jack Tizard contract.
- Additional staffing costs required within the TCST to manage the increase in routes as a result of the establishment of sovereign routes within LBHF.
- Impact of London Living Wage on all provider employees.

9.2. A growth bid has been completed to mitigate the risk that has arisen following the projected impact of the re-procurement, covering both CHS and ASC. Full details of this bid are captured in the exempt Appendix 2 of the Confidential report.

9.3. Implications verified/completed by: Michael Hallick, Finance Business Partner.

10. IMPLICATIONS FOR BUSINESS/PROCUREMENT

10.1. Full details of the impact upon businesses in the borough are captured in the exempt Appendix 1 of the Confidential report and have been verified by Procurement colleagues.

10.2. Implications completed by: Kevin Churchill, LBHF Procurement and John Francis LBHF Procurement.

11. OTHER IMPLICATION PARAGRAPHS

11.1. There are no other implications identified.

12. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1	Cabinet Decision Monday 1 st June 2015, Item 4, Travel Care and Support Service Arrangements.	http://democracy.lbhf.gov.uk/ieListDocuments.aspx?CId=116&MId=4112&Ver=4	

LIST OF APPENDICES:

Appendix 1 – LBHF Procurement Strategy (contained in the exempt report).

Appendix 2 – Financial Information and analysis (contained in the exempt report).

Appendix 3 – Equalities Impact Assessment.

Tool

Overall Information	Details of Full Equality Impact Analysis
Financial Year and Quarter	2016/17 – Quarter 2
Name and details of policy, strategy, function, project, activity, or programme	<p>Title of EIA: Hammersmith & Fulham Passenger Transport Reprocurement</p> <p>The service provides transport for children with Special Educational Needs (SEN) travelling to and from school and Looked After Children (LAC) attending contact visits, activities and appointments. Services are also commissioned for some Adult Social Care service users.</p> <p>The current arrangement for passenger transport services for children and adults is through a shared services arrangement alongside Royal Borough of Kensington and Chelsea and Westminster City Council through two framework agreements.</p> <p>The West London Alliance (WLA) framework was procured on behalf of the West London Alliance, a partnership of seven West London Councils. This framework expired in July 2016 and whilst the contracts can continue beyond this date until they expire, they cannot be extended beyond this point and there would either have to be a direct award or re-procurement. The remaining contracts were procured through a Westminster framework and have the option to extend by up to two years. Given this and the appetite of members to enhance the quality of the service aligned to that delivered to Jack Tizard school (a service re-procured in April 2016), this presents an opportunity to enhance quality of the remaining LBHF transport through re-drafted specifications co-developed with service users, their carers and schools.</p> <p>The strategic intentions of this procurement are to create a quality travel care service to transport vulnerable children to and from school as part of the wider priority of the current administration to give children the best start in life. The Travel Care Strategy created as part of the Passenger Transport and Travel Care Project initiated in Autumn 2014 is underpinned by the following strategic objectives:</p> <ol style="list-style-type: none"> 1. Enhanced quality of service achieved through increased training of drivers and assistants, communication between the providers and stakeholders and relationships between staff and service users. 2. Dedicated focus on Hammersmith and Fulham residents. 3. Establishment of a strategic relationship between contractors and stakeholders (including the Council.)

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	<p>4. Contractors providing clear community benefits.</p> <p>The proposal is for a dedicated re-procurement in LBHF and, critically, in terms of impact, that there should be dedicated routes for children who live in the Borough. This will impact from September 2017 and therefore, in short summary, the change may be for many service users a new provider taking them to school and a change of route.</p> <p>This EIA considers the potential impact of the proposed option for change upon service users and groups of people with protected characteristics.</p>
Lead Officer	<p>Children's Services Name: Rachael Wright-Turner Position: Director or Commissioning – Children's Services Email: rachael.wright-turner@rbkc.gov.uk Telephone No: 020 7361 3614</p>
Date of completion of final EIA	November 2016 following feedback from consultation.

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Section 02	Scoping of Full EIA
Plan for completion	<p>Timing: September to November 2016 Resources: Jody Nason / Ed Harper / Simone Paul</p>
Analyse the impact of the policy, strategy, function, project, activity, or programme	<p>Analyse the impact of the policy on the protected characteristics (including where people / groups may appear in more than one protected characteristic). You should use this to determine whether the policy will have a positive, neutral or negative impact on equality, giving due regard to relevance and proportionality.</p> <p>It is anticipated that in September 2017 new passenger transport contracts will be in place to provide passenger transport for residents of Hammersmith & Fulham following a procurement process. Routes previously shared with residents of RBKC and WCC will be disaggregated, therefore LBHF residents using the service may find themselves with a new provider and on a new route.</p> <p>The service provides transport for children with Special Educational Needs (SEN) travelling to and from school and Looked After Children (LAC) attending contact visits, activities and appointments. Services are also commissioned for some Adult Social Care service users.</p> <p>As at 27 September 2016, the service served a total of 197 children in Hammersmith & Fulham, transporting them to</p>

39 different schools. Destinations are to schools and colleges largely, but not entirely, within the three boroughs of Hammersmith and Fulham, Kensington and Chelsea and Westminster for both the school/college working day and for pre and post school activities.

A total of 156 adult LBHF residents are supported by the current transport arrangements to day centres, and a further 9 residents travel by taxi to college or out-of-borough placements.

For the purpose of this EIA, it is important to note that:

- Eligibility criteria for the service would not change, therefore individuals currently receiving transport services would continue to do so.
- Training would be provided to transport crews on the specific needs of service users and the appropriate support techniques.

Initial modelling indicates that 31 of the SEN routes (41%) would be substantially different from existing routes, with a similar number being slightly different. This is in addition to the expected changes which would take place in September 2017 as children leave and join the service as part of the normal transition from one academic year to another.

There would be no changes to routes by which the operator takes adults to day care centres, except expected changes which would take place in September 2017, and / or agreed changes that happen as new adults join the Service.

The proposal will focus on the following strategic objectives:

1. Enhanced quality of service achieved through increased training of drivers and assistants, communication between the providers and stakeholders and relationships between staff and service users.
2. Dedicated focus on Hammersmith and Fulham residents.
3. Establishment of a strategic relationship between contractors and stakeholders (including the Council.)
4. Contractors providing clear community benefits.

Therefore the service has been designed to improve the accountability of the service and to increase service user, parental and organisational confidence in the transport being provided. It would also improve the Council's ability to respond to service issues, including staff training and responsiveness, and to provide a high level of assurance to those who use the service, their parents and carers.

On this basis, the proposal can be assessed as having a positive impact on recipients. The nature of the service

means that this impact will mainly be experienced by both younger and older residents and on those residents with disabilities.

The proposal may result in practical changes to the day-to-day operation of the service. Considering the needs and protected characteristics of those eligible for passenger transport, most notably their age and disability, it is likely that such change may sometimes be difficult or unsettling for the individual who uses the service and for their families and carers. Actions to minimise this change and any disruptions to service during the 'settling-in' period are highlighted in Section 7 of this EIA.

Consultation is taking place with parents and stakeholders and this will be used to shape the contract specification and implementation.

The following analysis has been undertaken based on current service users, however it is likely that the number and profile of users would change by September 2017 (when the service is likely to be implemented) due to the start of the new school year.

Protected characteristic	Analysis	Impact: Positive, Negative, Neutral
Age	<p><i>Children:</i></p> <ol style="list-style-type: none"> 1. The service provides transport services for people with specific needs which may be otherwise unavailable to them. 2. The service employs licensed, trained staff and contractors to ensure appropriate provision. 3. Escort / attendant services are provided to support people using transport services. 4. Specific services are provided to transport looked after children as required. 5. Free home to school transport provision is provided to specific groups including low income families and routes unsuitable for children to walk. 6. Some looked after children may be transported by someone other than their primary carer. <p>The age of children using the transport service is approximately 50% aged 10</p>	Positive

		<p>and over and 50% aged 9 and below.</p> <p><i>Adults:</i></p> <ol style="list-style-type: none"> 1. The service provides transport services for people with specific needs which may be otherwise unavailable to them. 2. The service employs licensed, trained staff and contractors to ensure appropriate provision. 3. Escort / attendant services are provided to support people using transport services. 4. The service supports social inclusion for older, vulnerable and less mobile people. <p>Adults who require the provision of transport include a significant proportion who are older service users: 77% of service users are aged 65 years and over (40% of service users are aged between 75 and 84 years of age; 21% aged 85 or over; 16% are aged between 65 and 74 years; and 23% aged between 18 and 64).</p> <p>The proposal would not change the eligibility criteria for the service or restrict its accessibility based on age. By improving accountability and responsiveness, it would allow any issues that arise that would affect this protected characteristic to be identified and swiftly resolved.</p> <p>The age of the service user may affect their ability to deal with change relating to routes or personnel. Close communication with the service users themselves, with parents and families and with schools and day centres will help to ensure any impact of the change is minimised.</p>	
	Disability	<p><i>Children:</i></p> <p>The majority of service users (55%) have a primary SEN type as Autistic Spectrum Disorder (ASD), followed by speech, language and communication needs (10%) and profound and multiple learning difficulties (8%).</p>	

	<p><i>Adults:</i></p> <p>The majority (57%) of adult service users for transport to day centres have physical support needs which require them to use the service. A further 18% have learning disabilities; 15% have social support needs, 7% mental health needs, and there is one adult with sensory support needs and three adults with memory and cognition needs.</p> <p>Of the 9 adults requiring taxi transport to colleges or out of borough day services, all have complex learning disabilities, usually with behaviour or physical disabilities.</p> <p>The proposal would not change the eligibility criteria for the service or restrict its accessibility based on disability. By improving accountability and responsiveness, it would allow any issues that arise that would affect this protected characteristic to be identified and swiftly resolved.</p> <p>The proposal would ensure that there would be a comprehensive range of vehicles, including wheelchair accessible, that are appropriate to the needs of service users.</p> <p>The specific needs of individual children may affect their ability to deal with change relating to routes or transport crews (drivers and escorts). For some young people with an Autistic Spectrum Disorder, changing daily habits and schedules can pose challenges and maintaining familiar schedule and surroundings can be beneficial. Close communication with parents and families and proactive sharing of transport needs assessments for individual children will help to ensure any impact of the change is minimised.</p> <p>Adults who require the provision of transport include a significant proportion who have disabilities. There are between 30-40 adults with complex learning and physical disabilities who use day centre transport and taxis. The complexity and nature of their needs e.g. challenging behaviours, sensitivity to environments and people means any transition from current arrangements will need to be managed carefully including significant time periods and careful liaison with service users/customers and their carers, day care centre managers</p>	Positive
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	and other partners.	
Gender reassignment	No data available. It is deemed unlikely that changes to this service will have a positive or negative impact specifically relating to this characteristic.	Neutral
Marriage and Civil Partnership	No data available. It is deemed unlikely that changes to this service will have a positive or negative impact specifically relating to this characteristic.	Neutral
Pregnancy and maternity	No data available. It is deemed unlikely that changes to this service will have a positive or negative impact specifically relating to this characteristic.	Neutral
Race	<p><i>Children:</i> 26% of children receiving the current service are recorded as White-British ethnicity with 45% recorded as having English as an additional language.</p> <p><i>Adults</i> The majority of service users are from a White background (66%). 20% of adult service users are from Black/Black British/Black other groups. Asian/Asian British represent 12% of service users.</p> <p>The proposal would not change the eligibility criteria for the service or restrict its accessibility based on race. By improving accountability and responsiveness, it would allow any issues that arise that would affect this protected characteristic to be identified and swiftly resolved.</p> <p>The overall impact of the change of transport management and provider will be neutral (as the service eligibility criteria is not changing), however clear and accessible communication with families and schools will help to ensure any impact of the change is minimised.</p>	Neutral
Religion/belief (including non-belief)	<p>No data available. Given the expected range of different religions and beliefs in the impacted group it is deemed unlikely that there are positive or negative impacts specifically relating to this characteristic.</p> <p>Council policy supports the provision of transport of young people to faith</p>	Neutral

	schools.	
Sex	<p><i>Children:</i> The majority of children receiving a service are male (72%).</p> <p>The majority of adults using day centre travel support are female (63%) as are those using the taxi service (70%).</p> <p>The proposal would not change the eligibility criteria for the service or restrict its accessibility based on sex. By improving accountability and responsiveness, it would allow any issues that arise that would affect this protected characteristic to be identified and swiftly resolved.</p> <p>The overall impact of the change of transport management and provider will be neutral (as the service eligibility criteria is not changing). Close communication with parents and families will help to ensure any impact of the change is minimised.</p>	Neutral
Sexual Orientation	No data available. It is deemed unlikely that changes to this service will have a positive or negative impact specifically relating to this characteristic.	Neutral

Human Rights or Children's Rights

If your decision has the potential to affect Human Rights or Children's Rights, please contact your Equality Lead for advice

Will it affect Human Rights, as defined by the Human Rights Act 1998?

No

Will it affect Children's Rights, as defined by the UNCRC (1992)?

No

Section 03	Analysis of relevant data Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data and information and where possible, be disaggregated by different equality strands.
Documents and data reviewed	Children: Passenger transport database (December 2014) matched to Pupil Census information (January 2014) – total of 161 pupils matched. Adults: Data provided by the Senior Commissioner (Disability) – December 2014
New research	

Section 04	Consultation
Consultation	Details of consultation findings (if consultation is required. If not, please move to section 06)
Analysis of consultation outcomes	<p>Consultation commenced on 14th September 2016 via a postal survey with with parents whose children who were in receipt of the service to ascertain views on the quality of the current service and to obtain suggestions for improvements and invite stakeholders to be involved in the co-production of the service specification.</p> <p>A number of in-person discussions have taken place with smaller groups of key stakeholders in October/November 2016. These included the Passenger Transport Working Party, which comprises of parent and school representatives.</p> <p>Head teachers and other schools staff have been regularly consulted about the effectiveness of the current contract and any ongoing improvements required. Head teachers and other key staff at special schools in the borough (attended by the majority of Hammersmith & Fulham children who use the transport service) were all written to seek their views and consider if additional engagement can be carried out within schools.</p> <p>Consultation with service users highlighted the following areas as priority issues:</p> <ul style="list-style-type: none"> • Time keeping • Punctuality • Quality of travel assistance arrangements • Consistency of travel assistance arrangements • Safety

<i>Service Requirements</i>	<i>Driver/Escort Requirements</i>
<ul style="list-style-type: none"> • Excellent communication - to make parents/schools aware of changes. • Flexibility in the provider – depending on need. • Effective and efficient provision. • Develop independence in using travel as part of broader provision. • Continuity of staff. • Punctuality. • Ensure that children arrive calm, happy and in a state ready to learn. 	<ul style="list-style-type: none"> • To know the parent and the child. • Basic strategies of care, particularly knowledge of safely securing children. • Sympathetic to each child’s specific needs. • Mandatory and ongoing training. • Willing and responsive. • Level of maturity. • Have skills and experience in working with children with challenging behaviours.

Section 05**Analysis of impact and outcomes****Analysis**

The analysis of the proposed changes against protected characteristics has identified that, by improving accountability and responsiveness, the proposal should have a positive impact on service users. Eligibility for the service remains the same, proposing steps that would increase service users, parent/carer and organisational confidence in the service and its ability to respond to need.

The main impact will be that the provider of the transport is likely to change, and will in turn require some changes to staffing (drivers and escorts) and routes taken. Considering the needs of service users, there is a risk of a negative impact for some users who may find this change difficult and unsettling. This risk of a negative impact can be mitigated through clear communication and planning and further work may be required to fully understand the specific impact for each user once Cabinet has agreed on the future direction of the service.

It should also be noted that any change to service provision for Hammersmith and Fulham residents will impact on staffing and routes taken for children in Westminster and Kensington and Chelsea, whom the current contract is shared with. The potential impacts noted above may therefore be experienced by children who are residents in the

other two boroughs. Adult service users in other boroughs will not be affected in this way as Kensington and Chelsea and Westminster have separate contracted providers for their services for adults. Further work may be required to fully understand the specific impact for each user once the Hammersmith & Fulham Cabinet has agreed on the future direction of the service.

Section 06

Reducing any adverse impacts and recommendations

Outcome of Analysis

One of the key lessons learned from the previous process is that the direct impact of any new arrangement needs to be fully understood before changes are made, with rehearsed operational plans to maintain and ensure service standards.

Subject to the Cabinet decision, it is planned that a wide range of service users will be involved in further consultation and co- design of the specification and operational implementation. This will include formal meetings of groups such as the Travel Care and Support Working Party and Parents Active; informal opportunities to meet and share ideas, and targeted approaches potentially including additional surveys. The process will encompass parents and parent groups, adult service users and carers, advocacy groups, schools, day centres, commissioners and the TCT. It is planned that consultation throughout the implementation stage will be informed by a communication strategy.

Further work will be required to fully understand the specific impact for each user once Cabinet has agreed on the future direction of the service. At this stage, each proposed change to routes will be able to be assessed in terms of its impact on travel times for the individuals affected and the protected characteristics of those affected. Depending on the level of change, risk assessments for each child/service user may be required and appropriate arrangements put in place to ensure that individual needs continue to be met.


A key element of work will be to work with relevant service commissioners on the development and implementation of a travel strategy which includes alternative travel options e.g. independent travel training.

Section 07	Action Plan					
Action Plan	Issue identified	Action (s) to be taken	When	Lead officer and borough	Expected outcome	Date added to business/service plan
	Effective communication will be key to allaying concerns, managing expectations, and combating rumours	Regular update is sent out to all service users and stakeholders, as well as being made available online to the general public. Continued focus group meetings (e.g. the Passenger Transport Working Party) with remit to disseminate information	Monthly	Transport Commissioning Team	This would allow both regular invitations of feedback and contact information, and updates on progress.	
	Any change to provision, whether in terms of crew or timings, may impact not only on the service user (distress resulting from disruption to their routine) but	Individual service users and their carers are contacted at an early stage with regard to their personal situation. Existing work to carry out specialist	Prior to "go live" date for new contract	Undertaken by TCT and HFPT, as part of the approach to scheduling and risk assessment.	Proactive approach to responding to the issues raised can mitigate the impact.	

	also on caring arrangements, whether formal or informal.	assessments of travel need are reviewed and updated where required.				
	Further work required (post decision) to co-design changes to service and to assess their specific impact	Timetable of user engagement activity to be developed. Specific changes to routes to be assessed for their impact upon protected characteristics	Post Decision	Transport Commissioning Team	Clear plan for how and when service users can influence any changes to the service.	

Section 08	Agreement, publication and monitoring
Chief Officers' sign-off	Name: Rachael Wright-Turner Position: Director of Commissioning Email: Rachael.wright-turner@rbkc.gov.uk Telephone No: 0207 745 6399
Key Decision Report (if relevant)	Date of report to Cabinet/Cabinet Member: 7 th November 2016. Key equalities issues have been included: Yes
Opportunities Manager (where involved)	Name: Position: Date advice / guidance given: Email: Telephone No:

Agenda Item 12

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>7 NOVEMBER 2016</p>	
H&F AIR QUALITY COMMISSION REPORT	
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: Kim Dero, Director of Delivery and Value	
Report Author: Peter Smith, Head of Policy and Strategy	Contact Details: Tel: 020 8753 2206 E-mail: peter.smith@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The resident-led Air Quality Commission (AQC) has completed its review of air pollution in Hammersmith and Fulham and herewith presents its findings and recommendations to the Cabinet for consideration, discussion and adoption. The recommendations are aimed at central government, the Mayor of London and regional government as well as the Council, businesses, community groups and residents of the borough.
- 1.2. The report has previously been discussed by the Community Safety, Environment and Resident Services PAC, which has referred it to Cabinet for adoption by the Council.

2. RECOMMENDATIONS

- 2.1. That the Council welcomes the AQC report's findings.
- 2.2. That the Council promotes the report's findings and recommendations to central government, the Mayor of London and other parties to whom the recommendations are directed for action.

- 2.3. That officers are tasked with producing an action plan and costings for the implementation of the recommendations directed at the Council.

3. REASONS FOR DECISION

- 3.1. The AQC is a resident-led commission that was charged by the Council with examining the causes of air pollution in the borough and reporting back to the Council with recommendations for action. The attached report is the result of the AQC's research and evidence gathering over the past ten months and is presented to Cabinet for consideration and action.

4. PROPOSAL AND ISSUES

- 4.1. The Air Quality Commission was launched in December 2015 to review research and gather evidence on air quality in the borough, with a view to reporting back on its findings to the CSERS PAC in autumn 2016.
- 4.2. The Commission, chaired by Rosemary Pettit, consists of six local residents from across the borough and from a range of professional backgrounds who have selflessly provided the time and effort required to produce this report without payment of any kind. The Commissioners were appointed following a call for expressions of interest and they have studied recent research in this area and gathered evidence from experts and other residents of the borough to inform their discussions and debates.
- 4.3. The final report of the AQC (attached) is the fruits of that labour and it makes a series of recommendations aimed at central government, the Mayor and the GLA, the Council, local businesses, schools, community groups and individual residents.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. This cover report recommends that the findings are welcomed by the Council and that the recommendations are taken forward by way of promotion and the development of an action plan.
- 5.2. The CSERS PAC considered the report at its meeting of 21 September, where Members of the PAC and other attendees praised the report and the work of the Commission. The AQC has fulfilled its brief and its report has been welcomed by the PAC.
- 5.3. The recommendations directed at the Council should be costed and subject to the development of an action plan that sets out timescales and monitoring arrangements. The costing of the implementation of recommendations directed at the Council will, inevitably, impact upon timescales for delivery.

6. CONSULTATION

- 6.1. As part of the process of the Commission's research, a call for written evidence went out to residents of the borough. Responses were analysed by the Commission and these have informed its deliberations and the resulting findings and recommendations.
- 6.2. The PAC meeting in September further served to provide an opportunity to consult members of the public on the Commission's draft report.

7. EQUALITY IMPLICATIONS

- 7.1. There are no direct equality implications arising from the Council's adoption of the AQC's report. Air pollution, however, is more harmful to vulnerable groups such as children and older people.

8. LEGAL IMPLICATIONS

- 8.1. The attached report is that of an independent resident-led Commission and there are no legal implications for the Council in considering the AQC's findings and adopting the report. Any legal implications arising from the implementation of the proposals will need to be considered as part of the action plan referred to at paragraph 5.3 of this report.
- 8.2. Implications verified/completed by: LeVerne Parker, Chief Solicitor (Planning and Property) tel 020 7361 2180.

9. FINANCIAL IMPLICATIONS

- 9.1. The Commission has produced its draft report without any public funding. In considering the findings and recommendations of its report there are no direct financial implications arising from the officer recommendation to the Cabinet. If the Council adopts the Commission's findings and recommendations then there will be financial implications for the Council and these will need to be costed and considered as part of the Council's financial planning process.
- 9.2. Implications verified/completed by: Andrew Lord, Head of Finance (Budget Planning and Monitoring) tel. 020 8753 2531.

10. 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: Report of the Air Quality Commission



**Report of the
Hammersmith & Fulham
Air Quality Commission
October 2016**

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Foreword – A Route to Clean Air



This morning I heard on the radio that Lancaster University researchers are investigating a link between minute particles of magnetised pollution in the brain and Alzheimer's. This points up the fact that new evidence is emerging every day on the connection between air and health. The link from air pollution to heart and lung disorders is already well attested. Close to home, road traffic – especially diesel vehicles – on main roads and the three town centres in the borough is a major contributor to pollution.

Next to traffic emissions, building construction, with its associated air-borne dust and heavy machinery, contributes to low-quality air, as do the many thousands of old domestic and commercial boilers. This report into the causes of air pollution is therefore timely.

The data on the quality of air we breathe continues to be disquieting. Air quality has not improved sufficiently under current regulatory regimes. In addition to examining the

causes of air pollution, the Commission on Air Quality has therefore sought remedies. In the course of our work we have received evidence, read reports, interrogated our advisors and questioned other Councils.

From the start we were clear that we wished not only to recommend actions for Hammersmith & Fulham Council, but also support air-quality measures proposed by the GLA and Government. Traffic and air are always on the move, and three-quarters of traffic in the borough originates from elsewhere. Our recommendations take account of that.

Residents, business and local organisations have a vital part to play in aligning their behaviour to ensure that – for the sake of themselves and others – the air is as clean as practical. The Commission recognises that changes in behaviour are not always easy and need to be supported by clear reasons and incentives if old habits and immediate conveniences are to be set aside in favour of better quality air. But as with the 5p charge on a supermarket plastic bag, even a small change can make a huge difference.

No one need think that their individual actions – however small-scale – do not have an effect, whether it is leaving the car at home, walking children to school (getting exercise into the bargain), planting shrubs or trees, rather than laying paving, or avoiding harmful aerosols. Green spaces and plants – in and out of the home and office – purify the air and enhance well-being.

Air quality and energy are strongly linked. New technologies and developments are coming on stream all the time. What seems novel this year – a plane flying round the world on solar power – will seed headlines about spray-on solar windows next year.

It is a matter of becoming air conscious. To use the opportunities as they become available. The Council, the GLA and Government have much work to do. We wish them every success, and urge them to heed the evidence and take up our recommendations.

To conclude, my fellow Air Quality Commissioners are residents – like myself – and brought a range of expertise and experience to our deliberations. I am most grateful to them for their attention and contributions. Officers at the Council managed the project and gave invaluable advice and briefings on policy. We could not have done this without them.



Rosemary Pettit

Chairman, H&F Air Quality Commission

Executive Summary

Almost 1 in 4 deaths in Hammersmith & Fulham can be attributed to air pollution, which is an important risk factor in heart disease, stroke, lung cancer and respiratory diseases, as well as being associated with cognitive impairment and Type 2 diabetes.

There are many causes of air pollution in the borough but traffic emissions are, by far, the main cause, producing nitrous oxides and particulate matter.

Key findings:

- Planning policy and practice - the Local Plan and London Plan need revision;
- Transport policy and practice – diesel powered vehicles are a major concern due to the levels of nitrous oxide emissions;
- Greening policy and practice – trees, hedges and grasses can provide a protective barrier from air pollution, increase biodiversity and encourage walking and cycling;
- Public health – there needs to be much greater public awareness of the dangers of air pollution and its causes.

Key recommendations for Government:

- Launch a diesel scrappage scheme and place a surcharge on diesel fuel;
- Revise the MOT test to measure nitrous oxide and particulate matter emissions;
- Make plans for hydrogen-fuelled cars.

Key recommendations for the Mayor of London:

- Prioritise air quality in a new London Plan;
- Expand the designated Low Emission Neighbourhoods in London;
- Increase the use of electric buses across the borough;
- Introduce car-free days across inner London.

Key recommendations for the Council:

- Revise the Local Plan and supplementary planning documents to promote greening policies and to ensure that the impact on air quality of all new developments is given consideration;
- Establish a freight consolidation scheme in West London and convert fleets to low-emission vehicles;
- Develop an Urban Ecology Plan to drive greening and arboricultural policy and practice and increase tree, hedge and grass planting;
- Increase parking permit charges for diesel vehicles;
- Adhere to the WELL Building Standard and encourage the use of prefabrication in construction works;
- Develop plans to increase pedestrianisation, cycling and greening in town centres;
- Increase safer cycle routes, playing fields, parks and sporting facilities;
- Increase the number of electrical charging points across the borough;
- Introduce washing down of streets and pavements in areas of high particulate matter pollution.

Key recommendations for residents, businesses and community groups:

- Engage in a public education campaign to raise awareness of the impact of individual behaviour;
- Promote and encourage car sharing schemes;
- Involve school pupils in greening initiatives;
- Encourage more children to walk to school and more people to cycle;
- Boilers to be replaced by ultra-low nitrous oxide boilers.

1. Introduction



Air Pollution in Hammersmith & Fulham

Hammersmith & Fulham has the eighth highest percentage of early deaths attributable to nitrogen dioxide and to particulate matter air pollution in London, according to a report by King's College London¹. The report, commissioned by the Greater London Authority (GLA) and Transport for London (TfL), estimates that, in 2010 some 23% of deaths in Hammersmith & Fulham could be attributed to air pollution; this contributes to the early deaths of 203 residents per year.

Poor air quality is now an important risk factor of CVD (heart disease and stroke), lung cancer and respiratory disease. It is also associated with cognitive impairment (e.g. Parkinson's, Alzheimer's) and Type II diabetes.

Air quality affects people unequally; older people and children are more vulnerable. There is also evidence that it affects people with lower socio-economic status more severely, partially due to the residential environment they live in and their proximity to major highways. Occupation is also a factor in the risks to health of air pollution, as people who spend much time driving experience greater exposure to air pollution.

This report focusses on outdoor air pollution. Indoor pollution is also an issue for public health but it is more complex to monitor and tackle as damp, mould, smoking, furnishings, paint, room sprays, etc. all have an impact on indoor pollution.

A breakdown of emissions sources in Hammersmith & Fulham can be found on pages 8 and 9 of the 2015 Updating and Screening Assessment for the borough: https://www.lbhf.gov.uk/sites/default/files/section_attachments/air-quality-lbhf-usa-2015.pdf.

H&F Air Quality Commission

In response to the findings of the King's College London report and other reports highlighting the problems of poor air quality in the capital, Hammersmith & Fulham Council established a resident-led Air Quality Commission to look into the problem. The Commission was launched in January 2016 and set out to review the evidence and to engage with experts in the field and local residents to examine the causes and dangers of local air pollution and to consider potential solutions to help reduce it.

Since its inception, the rationale for the Commission has been further strengthened by a raft of new publications such as 'Every Breath We Take' by the Royal College of Physicians, highlighting the problem and the need for urgent action.

This report is the outcome of the Commission's work and makes a series of recommendations aimed at national and regional government, Hammersmith & Fulham Council, businesses and local residents themselves. Brief details of the Commissioners can be found in Appendix A.

The Commission began its work by reviewing a number of recent reports and existing evidence as to the cause of air pollution in London and elsewhere and how air quality issues are being tackled in other boroughs and other cities. The list of reports that were examined are included in Appendix B.

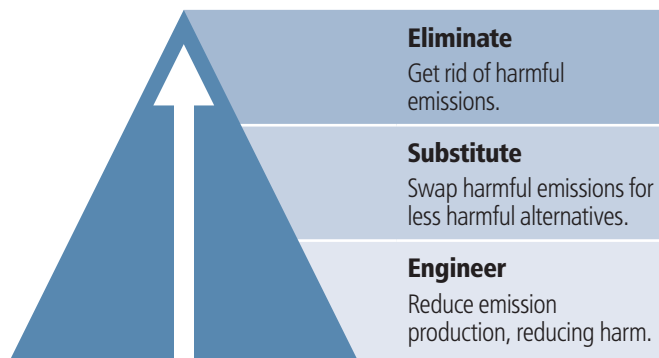
¹ Understanding the Health Impacts of Air Pollution (King's College London, July 2015).

Air Quality Action Plan

Hammersmith & Fulham was designated an Air Quality Management Area in 2000, as it exceeds health-based objectives for nitrogen dioxide and particulate matter. It is, therefore, required by the regulating Government body, the Department for Environment, Food and Rural Affairs, to produce and implement an Air Quality Action Plan setting out the measures the Council intends to put in place to reduce human exposure to these air pollutants. The current plan is in the process of being updated and will be the subject of public consultation. It has been informed by the work of this Commission.

Tackling Air Pollution Sources

A risk management framework can be used to illustrate and categorise potential approaches and interventions.



This report makes a series of recommendations that include elimination, substitution and engineering interventions with regard to pollutants and related risk factors.

Reducing Exposure to Air Pollution

Another way to reduce the impacts of air pollution on health is to minimise exposure. This can generally be accomplished in two ways:

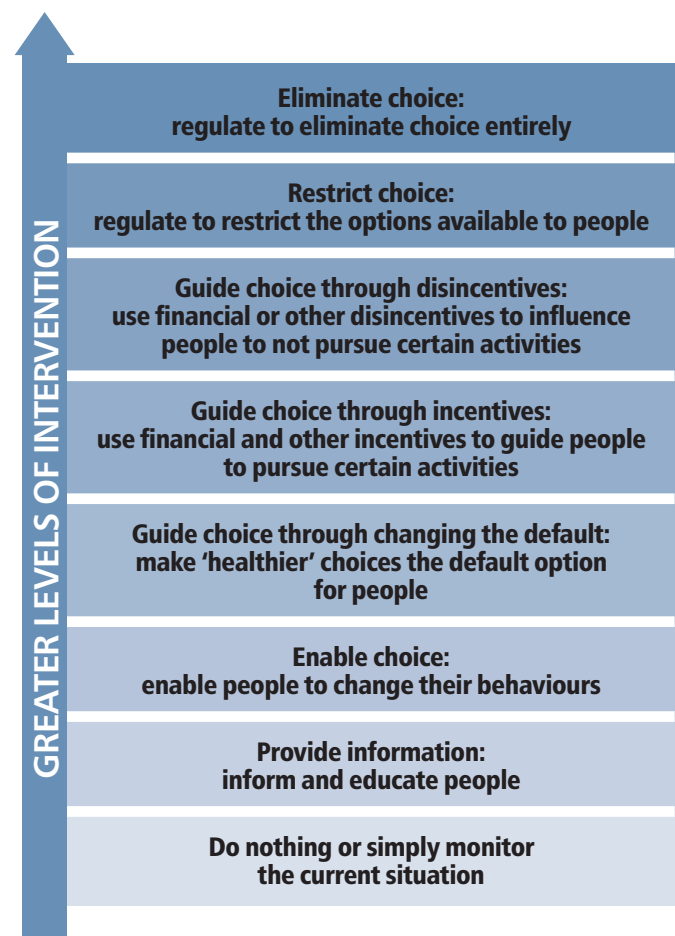
- increasing the public’s awareness of air pollution and how to avoid it; or
- installing barriers between the pollution and the public.

Levels of Intervention

Many of these recommendations also require changes in behaviour, some of which can be introduced by education and information designed to raise public awareness of the problems of air pollution and the public’s role in reducing it. Other interventions may require enforcement by regulation and with penalties for non-compliance.

The Nuffield Ladder of Intervention² (below) shows the various levels of intervention by which such behaviour change can be brought about. The recommendations contained in this report cover a wide range of differing levels of intervention.

Nuffield Ladder of Intervention



² Public Health: Ethical Issues (Nuffield Council on Bioethics, London 2007).

2. Planning Policy and Practice



The Commission recognises the need to raise awareness of air quality among decision-makers, planners and developers. There needs to be a unity of purpose to tackle the increasing problem of air pollution in the capital.

The Local Plan

It is the view of the Commission that Hammersmith & Fulham Council needs to make air quality a priority in setting out planning policy. The Local Plan, which is the strategic planning policy document produced by the Council, must recognise air quality issues in shaping planning policies and seek to ensure that developments are carbon neutral or even reduce air pollution in the borough.

This recommendation was made to the Council in the summer and the new Local Plan, which was subject to public consultation in September and October 2016, has incorporated this requirement at Section 6 – Environmental Sustainability.

The Commission recommends that the existing air quality policy and Supplementary Planning Document (SPD) be expanded to cover all developments which may be impacted by local sources of poor air quality or may adversely contribute to local air quality.

The Commission recommends that arboricultural and greening policies be promoted in the Local Plan or SPD.

The Commission is also of the view that the Council needs to plan for 'walkability' and the promotion of cycling as clean transport, and that these be recognised in SPDs to the Local Plan.

Building design and construction policies are also important in ensuring that the built environment does not have a negative impact on human health and well-being and, again, the Commission recommends these be recognised in SPDs. For example, the WELL Building Standard³ should be adhered to in the planning of all new developments.

Construction works are also responsible for particulate matter and this can be greatly reduced with prefabrication. This greatly reduces particulate matter on site as well as speeding up the construction time.

The London Plan

The Commission calls on the Mayor of London to review the London Plan, the strategic planning document for the capital, and to prioritise air quality as part of that review.

The London Plan should promote the need for more permeable surfaces, more tree planting and other green barriers between highways and pedestrian areas (see Section 4).

Zero carbon policies – such as standards promoted by Passivhaus or the Association of Environment Conscious Building⁴ – should be incorporated in planning guidance for all new buildings.

³ International Well Building Institute: www.wellcertified.com/well.

⁴ www.aecb.net/

London's Climate Change and Energy Strategy

Decentralised energy is being promoted in London by the GLA as a means to reduce carbon emissions. A recent report by the Policy Exchange, however, highlights the fact that 'certain forms of decentralised energy produce significant nitrogen oxide (NOx) emissions, for example small scale gas and diesel engines, biomass boilers and combined heat and power (CHP) installations'⁵. Where decentralised energy does not contribute to local air pollution it is to be welcomed.

The Commission supports the recommendation of the Policy Exchange that the Mayor of London reconsider London's Climate Change and Energy Strategy to reconcile the potential conflict between decentralised energy and air pollution. The Commission calls on the GLA to cease promoting combined heat and power installations in their policy's energy systems hierarchy and instead prioritise the use of air quality neutral technologies like air/ground-source heat pumps or photo-voltaics.

Operational Planning

Non-road mobile machinery, such as cranes and diggers, are also major air pollutants and their use should be closely regulated, especially when operating in residential areas or near schools and other community facilities.

All major construction projects in the borough, such as the Thames Tideway Tunnel, the Earl's Court development and the Old Oak development programme should be closely monitored by the Council to ensure that all steps are being taken to mitigate the impact on air quality of the demolition, construction, drilling and movement of spoil.

Summary of recommendations:

- The Local Plan to specify the need to consider the impact of all new developments on air quality and to require developments not to add to air pollution.
- Arboricultural and greening policies to be promoted in the Local Plan or Supplementary Planning Documents (SPDs).
- The need to plan for 'walkability' and cycling in an area to be recognised in SPDs to the Local Plan.
- The WELL Building Standard to be adhered to in the planning of all new developments.
- The Council to encourage the use of prefabrication in construction works to reduce particulate matter.
- The Mayor of London to review the London Plan and prioritise air quality in a new London Plan.
- A new London Plan should require more permeable surfaces, more tree planting and other arboricultural barriers between highways and pedestrian areas.
- Zero carbon policies should be incorporated in planning guidance for all new buildings.
- The Mayor of London to review London's Climate Change and Energy Strategy to reconcile the potential conflict between decentralised energy and air pollution and cease promoting combined heat and power installations in its energy hierarchy above air quality neutral technologies.
- All major developments, particularly those which will last for many years, to be closely monitored to ensure that all steps are being taken to mitigate the impact on air quality of the construction, drilling and movement of spoil.

⁵ Up in the Air: How to Solve London's Air Quality Crisis, Part 2 (Policy Exchange, March 2016).

3. Transport Policy and Practice



Road transport is the main cause of air pollution in Hammersmith & Fulham. The area is a transport hub and has major strategic highways, such as the A4 and A40, crossing the borough as well as heavily congested north-south routes. Most of the traffic in Hammersmith & Fulham (about 75%) originates from outside the borough. The Commission has, therefore, been mindful of policies affecting transport passing through, but beginning or ending outside, the borough.

Diesel Powered Vehicles

The increase in the number of diesel-powered vehicles on our roads over the last 15 years is largely responsible for elevated levels of NO₂ emissions in our cities. Diesel cars now make up over 50% of all new cars sold in the UK, and 36% of the total car fleet (up from 7% in 1994)⁶. The growth in diesel emissions has meant that NO₂ concentrations around inner London roads have shown little if any improvement since the beginning of the millennium.

European legislation and UK financial incentives, geared towards lowering only CO₂ emissions from road traffic, have, in part, led to this increase in diesel vehicles which have much higher emissions of NO₂ and particulate matter than petrol vehicles. The motor industry has also promoted the use of diesel as more fuel efficient.

In addition, the recent VW scandal has exposed the systematic failure of vehicles – but especially of diesels – to meet stated emissions performance standards. It is important that Government, regulators and the automotive industry ensure that all vehicles licensed on UK roads are capable of meeting required emissions standards under normal driving conditions. A testing regime is needed that delivers this.

The Council can seek to influence consumer choice by increasing parking permit charges for diesel powered vehicles, in the same way that it has levied reduced permit charges for electrical vehicles.

The Commission supports the recommendation of the House of Commons Environment, Food and Rural Affairs Committee that the Government launches a diesel scrappage scheme, giving grants to cut the cost of a low-emission and low-carbon vehicle for owners scrapping their diesel car or van.

The Commission also supports the Mayor of London's plans for Transport for London to start work on the costs and challenges of implementing a diesel scrappage scheme as part of the development of detailed proposals for a government-implemented diesel scrappage scheme.

The Commission also recommends that the sale of new, and importation of all, diesel vehicles to the UK be banned. The Commission further recommends that the Government places a surcharge (increasing over time) on the sale of diesel fuel to affect consumer choice and to help fund scrappage.

The Commission also recommends that the Government revises the MOT test to include measurement limits on NO_x and PM₁₀ emissions.

⁶ Up in the Air: How to Solve London's Air Quality Crisis, Part 1 (Policy Exchange, November 2015).

Pedestrianisation of Town Centres

The pedestrianisation of town centres is supported by the Commission as a means of reducing the impact of air pollution on the health of Londoners. The Mayor's plans to pedestrianise Oxford Street are most welcome and could be expanded to other areas of the capital.

The Commission recommends that the Council, along with its strategic partners such as Transport for London, makes plans to increase pedestrianisation, cycling and green space in its own town centres. The Commission believes that this should be referenced in the Hammersmith SPD.

Ultra Low Emission Zone

The Mayor of London's plans to expand the number of Low Emission Neighbourhoods, with associated funding, to eight inner London boroughs is welcome but needs to go further and be expanded to Hammersmith & Fulham.

The five new Low Emission Neighbourhoods will be introduced across eight boroughs with pollution-reducing measures including strict new penalties for the most polluting vehicles, car-free days, green taxi ranks for zero emission-capable cabs and parking reserved for the cleanest vehicles. These are all measures that the Commission would like to see introduced in Hammersmith & Fulham.

The Commission also welcomes the new Mayor's proposals to introduce the central London Ultra-Low Emission Zone in 2019 and to extend this beyond central London from 2020. The Commission strongly recommends that the Zone includes the A4 corridor to Heathrow, a major generator of traffic passing through the borough.

Low Emission Vehicles

The use of electric buses should be expanded in town centres until all petrol and diesel-fuelled buses have been removed. The Commission welcomes the Mayor of London's plans for clean bus corridors and calls on TfL and the Council to ensure that, with the proposed redevelopment of Hammersmith Broadway, only electric, hybrid or

low-emission buses are in use in Hammersmith town centre.

The Commission welcomes the introduction this year of 16 electrical charging points across the borough for electric cars. The Commission is supportive of increasing the number of charging points as an incentive to encourage more people to buy and use electric vehicles.

Other low emission fuels should also be developed for the future. A hydrogen vehicle station, for example, has recently been established in Teddington. There are two Liquid Petroleum Gas (LPG) stations in Shepherds Bush and more may be considered for the borough.

More than half of all households in Hammersmith & Fulham (55%)⁷ do not have the use of a car or van. To reduce traffic and increase clean vehicles the Commission calls on the Council to promote the use of car clubs offering electric or other low-emission vehicles, and to consider reducing the cost of car club parking.

The Council should require electric, and petrol-hybrid only vehicles in the procurement of their own fleet and their contractors' fleets and lead other businesses by example. This policy should be reviewed as other technologies, such as hydrogen, mature.

Other forms of transport need further expansion: the cycle superhighway (CS9) and safer cycle routes. Cyclists will be encouraged to take to the roads in greater numbers when cycling is safer and air less polluted. Cycling also brings other health and welfare benefits. The Commission, therefore, calls on the Council and TfL to actively support the development of safer cycle routes and the cycle superhighway.

Freight and Delivery Vehicles

The Commission heard evidence of freight consolidation initiatives – finding ways to align and coordinate deliveries to reduce emissions. This was successfully piloted in Islington where it focused on Council deliveries utilising a freight consolidation hub in Exeter. Islington and Camden now have

⁷ 2011 Census (ONS, 2012).

a freight consolidation scheme in operation. The Commission recommends that the Council seeks to establish a similar scheme in West London.

Restriction of HGV deliveries to specific hours can reduce traffic at peak times and, therefore, reduce the concentration of air pollution at those times. The Council should seek to phase out all but low-emission vehicles from its fleets and require the same of its contractors.

Idling

Many of the respondents to the Commission's call for evidence complained of the number of vehicles 'idling', i.e., leaving their engines running while stationary on residential streets across the borough.

London councils, such as Islington and Kensington and Chelsea, have introduced penalty charges for idling aimed at raising awareness, but no fines have been issued. LBHF is currently focussing on awareness raising as part of a pan-London anti-idling campaign funded by the Mayor of London's Air Quality Fund.

The Commission calls on the Mayor and the GLA to look into regional enforcement and education as part of the pan-London anti-idling campaign (Rule 123 of the Highway Code applies) and calls on the Council to monitor and review the feasibility of penalty charges.

Traffic Management

The Commission calls on the Council and TfL to ensure that traffic lights are co-ordinated to effect smoother flow of traffic. There is also a need to educate drivers to maintain moderate speeds to reduce emissions. The public needs more access to information and monitoring data to affect behaviour change.

Car-free days, perhaps selected according to number plate (as in Paris), can reduce traffic and pollution. The Commission calls on the Mayor of London to investigate the success of such schemes and consider introducing a scheme across inner London. The Mayor should also consider the introduction of restrictions on car use on high pollution days with powers to impose 'no car days' when pollution is very high and especially dangerous to health.

The expansion of low-emission public transport across the borough must be a key objective in reducing traffic by getting people out of their cars. For this reason the Commission supports the Council's case for the development of a Crossrail 2 station in the south of the borough.

Reducing Particulate Matter

Particulate matter in Hammersmith & Fulham is largely emitted by traffic in the borough. All vehicles – even those that do not rely on internal combustion for power – emit particulates from other processes, such as braking, tyre friction and wear. The Commission calls on the Government to put pressure on tyre, brake and clutch manufacturers to use materials that wear less, thus reducing particulate matter.

In some European cities there is nightly 'washing down' of all main streets but this is not a feature of London. The Commission calls on the Mayor of London and the Council to look into the benefits of regular 'washing down' of high polluting roads and pavements across inner London and the borough particularly on days when high levels of pollution are expected.

The Commission also calls on the Government and the Mayor of London to look into the nano coating of roads and tyres as a means of reducing particulate matter.

Summary of recommendations:

- Increase the diesel parking permit charge for residents to encourage the change to alternative modes of transport⁸.
- The Government to launch a diesel scrappage scheme giving grants to cut the cost of a low-emission vehicle for owners scrapping their diesel car or van⁹.
- The sale of new, and importation of all, diesel vehicles to the UK to be banned.
- The Government to replace the existing regime to test vehicle emissions with one that requires manufacturers to meet standards under normal driving conditions.
- The Government to place an increasing surcharge on the sale of diesel fuel to affect consumer choice¹⁰.
- The Government to consider revising the MOT test to include the measurement limits of nitrous oxide and PM10 emissions¹¹.
- The Council, along with its strategic partners such as Transport for London, to develop plans to increase pedestrianisation, cycling and greening in its town centres.
- The Mayor of London to add Hammersmith & Fulham to the eight boroughs with designated Low Emission Neighbourhoods.
- The use of electric buses to be expanded across the borough until all petrol and diesel-fuelled buses have been removed.
- The Government and the GLA to make plans for hydrogen-fuelled cars.
- More safer cycle routes to be developed by the Council and Transport for London.
- The Council to plan for, and facilitate the development of, more electrical charging points across the borough.
- The Council to seek to establish a freight consolidation scheme in West London.
- The Council to work towards a target of converting all of its fleets to low-emission vehicles and introduce procurement requirements to ensure that contractors comply with low-emission targets.
- An education campaign, to be initiated by the GLA and the Council, to reduce 'idling'. The Council to consider enforcement for offenders.
- Traffic lights to be co-ordinated to effect smoother traffic flows.
- A scheme of car-free days to be introduced across inner London by the Mayor and consideration given to bans on vehicle use during days of very high air pollution.
- Tyre, brake and clutch manufacturers to use materials that wear less, thus reducing particulate matter.
- Washing down of streets and pavements to be introduced in areas of high particulate matter air pollution.
- The Council and other decision makers to keep under review new environmental initiatives and best practices as these come forward.

^{8, 9, 10, 11} One commissioner, David Chamberlain, does not support these recommendations.

4. Greening Policy and Practice



Trees, hedges and grasses can provide a protective barrier from air pollution when positioned between road traffic or other pollution sources and pedestrians. The greening of urban spaces increases biodiversity and also encourages people to get out of their cars and walk and cycle instead.

Urban Ecology Plan

The Commission calls on the Council to develop an Urban Ecology Plan to drive arboricultural policy and practice across the borough. The greening of urban centres has many benefits beyond improvements in air quality and enhancing biodiversity. It can help to reduce flooding, ameliorate the impact of 'heat islands', mitigate wind and weather and improve the aesthetics of the inner city.

Planning and Development

The Commission recommends that arboricultural policies be incorporated into the Local Plan and Supplementary Planning Documents (SPDs).

The Commission also calls on the Council to exercise its planning and enforcement powers to ensure that developers fulfil commitments in delivering tree-planting agreements.

Schools and Public Awareness

The Commission calls on schools to set up greening initiatives as a means of both improving their local environment and educating the next generation on the importance of urban ecology. The award-winning Phoenix School farm, in association with Hammersmith Community Gardens Association, may be upheld as a shining example of what one school in the borough has achieved.

The Council should increase its support for, and participation in, public awareness environment programmes like those run by Hammersmith & Fulham Urban Studies Centre and its Children's Parliament to encourage education on the causes and effects of air pollution.

The Council to encourage residents and organisations to consider Blue Green schemes in homes and offices. Indoor greenery is known to have air purifying qualities, absorbing carbon dioxide and releasing oxygen, but also filtering harmful chemicals such as formaldehyde, benzene and trichloroethylene.

Trees, Hedges and Grasses

The right trees, hedges and grasses need to be planted in the right places in order to combat air pollution directly, but greening the borough with more planting also encourages more people to walk and cycle, with an indirect impact on air quality. Tree pruning can reduce the benefits of trees in neighbourhoods so the Commission calls on the Council to stagger pruning to one in every three trees every three years.

The Commission recommends that tree, hedge and grass cover be increased across the borough. The majority of tree, hedge and grass cover is likely to be in private ownership, but we call on the Council to increase planting on Council-owned land and highways, and facilitate new trees on development sites. The Commission also calls on the GLA to ensure it meets and exceeds its targets to increase London's tree canopy and continues to commission regular studies to measure and monitor greening cover.

With increasing pressure for development, finding space for larger trees to grow to maturity is becoming difficult. An example of this problem can be found at the BBC site north of South Africa Road; the current development is only around 25 years old and already the extensive tree planting put in at the time is now being removed so the site can be redeveloped. Most of the larger growing species take at least 30-40 years to reach early stages of maturity so trees are being lost at the maximum stage of benefit. The Commission calls on the Council and developers to maintain mature tree cover when planning for new developments across the borough.

Summary of recommendations:

- The Council to develop an Urban Ecology Plan to drive greening policy and practice across the borough.
- Arboricultural policies to be incorporated into the Local Plan and SPDs.
- The Council to exercise its planning and enforcement powers to ensure that developers fulfil commitments in delivering tree-planting agreements.
- The Council to encourage residents and organisations to consider Blue Green schemes in homes and offices.
- Schools to involve pupils in greening initiatives as a means of both improving their local environment and educating the next generation on the importance of urban ecology.
- The Council to increase its participation in public education programmes to encourage education and awareness of air pollution.
- The Council to stagger tree pruning to one in every three trees every three years.
- The Council to increase tree, hedge and grass planting on Council-owned land and highways, and to facilitate new trees on development sites.
- The GLA to continue to commission regular studies to measure and monitor tree, hedge and grass cover across London boroughs.
- The GLA to meet and exceed its targets to increase tree canopy in London.
- The Council and developers to seek ways of maintaining mature tree cover when planning for new developments.

5. Public Health Policy and Practice



Air pollution is an obvious threat to public health but many of the common public health messages – walk more, cycle more, be more physically active – can reduce air pollution by encouraging people to leave their cars at home. There are days when air pollution is high and places like busy roadsides should be avoided to minimise the impact on health, particularly to children, the elderly and those living with heart and lung disease.

Encouraging Better Use of Green Space

Green spaces undoubtedly have a positive effect on public health. Public parks offer residents quiet enjoyment, play for children, green walking and connection with nature. These benefits may be undermined by over-use from schools and public events. Physical activity and active travel, however, reduce pollution and support good health. The Commission, therefore, calls on the Council to increase playing fields, pocket parks and sporting facilities in the borough, and encourage Hammersmith & Fulham residents to be the most active in London.

Raising Public Awareness of the Impact of Travel Choices

The rate of bicycle use in Hammersmith & Fulham is one of the highest rates in London but it is still very low in comparison to other European cities. Less than 5% of H&F residents use a bicycle on an average weekday and only 7.4% of work journeys are made by bicycle¹². Only 25% of all journeys in the borough are made on foot and only 12.8% of borough residents walk to work¹³.

The Commission calls on the Council to set targets for pupils to walk to school. Schools and the wider community to encourage more primary and secondary school children to walk and more people to use cycles to get around the borough on longer journeys. There is a need for more public education to raise awareness of the impact of individual behaviour. The Council should set targets, in comparison with other European cities, and monitor changes over time.

Businesses and community organisations should be promoting and encouraging car sharing schemes for their employees and service users.

Raising Public Awareness of Air Pollution in the Home

Boilers are a significant source of air pollution, particularly nitrogen oxides (NOx), second only to traffic in the borough. There are many ultra-low NOx boilers on the market at a comparable price bracket to regular boilers.

The Commission calls on the public, businesses, housing associations and the Council to replace boilers with ultra-low NOx boilers where possible or at least when old boilers need to be replaced. The Commission also calls on the Mayor of London and the Government to increase the public's awareness of this issue and improve the newly introduced boiler scrappage scheme to include a focus on air pollution.

Hammersmith & Fulham is a Smoke Control Area and only smokeless fuels or specific wood burner appliances may be used¹⁴. However, there have

¹² 2011 Census (ONS, 2012).

¹³ 2011 Census (ONS, 2012).

¹⁴ <https://smokecontrol.defra.gov.uk/index.php>.

been recent air pollution incidents in London which indicate that the public are not adhering to these laws. The Commission calls on the Mayor of London and the Council to undertake initiatives to raise the public's awareness of this, backed up by enforcement if necessary.

Raise Public Awareness of Health Impacts

Poor air quality can have a significantly detrimental effect on health. Air pollution disproportionately affects children. They are more vulnerable as their lungs are still developing, they spend more time outdoors and they are shorter and therefore breathe closer to vehicle exhaust pipes.

The Commission welcomes the Mayor of London's introduction of air pollution alerts during and on the day before high and very high pollution days at bus stops, tube stations and roadsides across the capital and encourages the Mayor to make these alerts more widespread.

The Commission calls on Government, the GLA, the Council, local health providers and news sources to provide regular messages and forecasts for air pollution. These messages would advise the public, particularly the parents of young children and those with heart and lung disease, on when it may be best to stay indoors and what areas or commuting routes are best avoided.

The Commission recommends that the Council continues to support awareness raising initiatives and pollution forecast tools like airTEXT and Walkit.com.

Local residents may be encouraged to use personal air quality monitors ('Citizen Scientists') to raise public awareness of the extent of air pollution across the borough.

Summary of recommendations:

- The Council to increase playing fields, pocket parks and sporting facilities in the borough to enable residents to keep fit and active.
- Businesses and community organisations to promote and encourage car sharing schemes among employees and service users.
- More primary and secondary school children to walk to school.
- More people to take up cycling to travel around the borough and beyond.
- A public education campaign to raise awareness of the impact of individual behaviour on air quality, covering the areas set out in this report.
- Boilers to be replaced by ultra-low NOx boilers.
- The Mayor of London's boiler scrappage scheme to have an air pollution focus.
- A public education programme on what it means to live in a Smoke Control Area.
- Public air pollution alerts and forecasts to be made more widely available.
- Awareness-raising initiatives like airTEXT and Walkit.com to continue to be supported by the Council.
- More local residents to become 'Citizen Scientists' and use personal air quality monitors around the borough.

Recommendations

For action by Government and national bodies

- The Government to launch a diesel scrappage scheme giving grants to cut the cost of a low emission vehicle for owners scrapping their diesel car or van¹⁵.
- The Government to place a surcharge on the sale of diesel fuel to affect consumer choice¹⁶.
- The sale of new, and importation of all, diesel vehicles to the UK to be banned.
- The Government to revise the MOT test to include the measurement limits of nitrous oxide and PM10 emissions¹⁷.
- Tyre, brake and clutch manufacturers to use materials that wear less, thus reducing particulate matter.
- Nano coatings for roads and tyres to be considered.
- The Government and the GLA to make plans for hydrogen-fuelled cars.
- Car manufacturers to meet pollution standards.
- 'No drive days' in major cities during episodes of very high pollution.
- The use of electric buses to be expanded across the borough until all petrol and diesel-fuelled buses have been removed.
- An education campaign, to be initiated by the GLA and the Council, to reduce 'idling'. Enforcement measures to be considered.
- A scheme of car-free days to be introduced across inner London by the Mayor and consideration given to bans on vehicle use during days of very high air pollution.
- Traffic lights to be co-ordinated to effect smoother traffic flows.
- The GLA to continue to commission regular studies to measure and monitor tree, hedge and grass cover across London boroughs.
- The Mayor of London's boiler scrappage scheme to have an air pollution focus.
- The Mayor of London to review London's Climate Change and Energy Strategy to reconcile the potential conflict between decentralised energy and air pollution, and cease promoting combined heat and power installations in its energy hierarchy above air quality neutral technologies.

For action by the GLA and regional bodies

- The Mayor of London to review the London Plan and prioritise air quality in a new London Plan.
- A new London Plan to promote the need for more permeable surfaces, more tree planting and other green barriers between highways and pedestrian areas.
- Zero carbon policies, balanced with air quality neutral policies, to be incorporated in planning guidance for all new buildings.
- The Mayor of London to add Hammersmith & Fulham to the eight boroughs with designated Low Emission Neighbourhoods.
- The Local Plan to specify the need to consider the impact of all new developments on air quality.
- Arboricultural and greening policies to be promoted in the Local Plan and Supplementary Planning Documents (SPDs).
- The need to plan for 'walkability' to be recognised in SPDs to the Local Plan.
- The Council to seek to establish a freight consolidation scheme in West London.
- The Council to work towards a target of converting all its fleets to low-emission vehicles and introduce procurement requirements to ensure that contractors comply with low-emission targets.

^{15, 16, 17} One commissioner, David Chamberlain, does not support these recommendations.

- The Council to develop an Urban Ecology Plan to drive greening and arboricultural policy and practice across the borough.
- Public air pollution alerts and forecasts to be made more widely available.
- The diesel parking permit charge for residents to be increased to encourage the change to alternative modes of transport¹⁸.
- The WELL Building Standard to be adhered to in the planning of all new developments.
- The Council to encourage the use of prefabrication in construction works to reduce particulate matter.
- The Council to stagger tree pruning to one in every three trees every three years
- The Council to increase tree, hedge and grass planting on Council-owned land and highways.
- The Council to exercise its enforcement powers to ensure that developers fulfil commitments in delivering tree planting plans; also to seek ways of maintaining mature tree cover when planning for new developments.
- The Council to encourage residents and organisations to consider Blue Green schemes in homes and offices.
- The Council, along with its strategic partners such as Transport for London, to develop plans to increase pedestrianisation, cycling and greening in its town centres.
- More safer cycle routes to be developed by the Council and Transport for London.
- The Council to plan for, and facilitate the development of, more electrical charging points across the borough.
- All major developments, particularly those which will last for many years, to be closely monitored to ensure that all steps are being taken to mitigate the impact on air quality by the construction, drilling and movement of spoil.
- Washing down of streets and pavements to be introduced in areas of high particulate matter air pollution.
- The Council to increase its participation in public education and awareness programmes on air pollution.
- The Council to increase playing fields, pocket parks and sporting facilities in the borough to enable residents to keep fit and active.
- Boilers to be replaced by ultra-low NOx boilers.
- Awareness-raising initiatives like airTEXT and Walkit.com to continue to be supported by the Council.
- The Council and other decision makers to keep under review new environmental initiatives and best practices as these come forward.

For action by residents, businesses and community groups

- A public education campaign is needed to raise awareness of the impact of individual behaviour on air quality.
- Businesses and community organisations to promote and encourage car sharing schemes among employees and service users.
- Schools to involve pupils in greening initiatives as a means of both improving their local environment and educating the next generation on the importance of urban ecology.
- More children to walk to school.
- More people to take up cycling to travel around the borough and beyond.
- Boilers to be replaced by ultra-low NOx boilers.
- A public education programme on what it means to live in a Smoke Control Area.
- More local residents to become 'Citizen Scientists' and use personal air quality monitors around the borough.

¹⁸ David Chamberlain does not support this recommendation.

Appendix A

The Commissioners

Rosemary Pettit (Chair)

Rosemary's professional background is in publishing. She has lived in Hammersmith since 1999 and has been engaged in voluntary and community work – mostly planning and development - in the borough for many years. She was membership secretary of Brackenbury Residents Association and from 2012-15 chaired the Hammersmith Society.

David Chamberlain

David has lived in Fulham for the last 16 years and been a commercial director for Oracle UK for the past 20 years. After graduating in natural sciences he joined BP, where he worked on computer modeling, economic analysis and negotiation of contracts. He has also worked in Hamburg and for the Abu Dhabi Company for Onshore Oil Operations.

Professor Derek Clements-Croome

Derek is an architectural engineer and emeritus professor at Reading University. He specialises in the design and management of intelligent buildings and lives in Hammersmith. He is a built environment expert for the CABE arm of the Design Council and a Fellow of the Building Research Establishment Academy. He sits on the Zero Fifty Commission for Haringey and edits Intelligent Buildings International Journal.

Kate Forbes

Kate is senior producer for BBC News and has won several awards for her television work all over the world. Her key area of focus between 2006-8 was science and environment, when she undertook projects on climate change for Newsnight, the Today programme, Ten O'Clock news and BBC Online. She lives in Shepherds Bush.

Natalie Lindsay

Natalie's professional background is in project management. She is the principal of the local Fulham music school, Music'all, which operates out of Lady Margaret School, Parsons Green. She has lived on Wandsworth Bridge Road in Fulham for over 20 years.

Andrew Pendleton

Andrew is Head of Campaigns at Friends of the Earth England, Wales and Northern Ireland. He is also a member of Hammersmith & Fulham Friends of the Earth group and is representing them on the Commission. A keen cyclist, he has lived in the borough for 20 years.

Appendix B

Key Reports and Literature Reviewed

(in reverse chronological order)

Air Quality: Fourth Report of Session 2015-16 (House of Commons Environment, Food and Rural Affairs Committee) 20 April 2016 ([weblink](#))

Health Impacts of Cars in London (Greater London Authority) September 2015 ([weblink](#))

Up in the Air: How to Solve London's Air Quality Crisis, Part 2 (Policy Exchange) March 2016 ([weblink](#))

Understanding the Health Impacts of Air Pollution (King's College London) 14 July 2015 ([weblink](#))

Every Breath We Take: The Life Long Impact of Air Pollution (Royal College of Physicians) February 2016 ([weblink](#))

Updating and Screening Assessment for London Borough of Hammersmith & Fulham: In fulfilment of Part IV of the Environment Act 1995 Local Air Quality Management (LBHF) May 2015 ([weblink](#))

Improving Air Quality in the UK: Tackling Nitrogen Dioxide in Our Towns and Cities (DEFRA) December 2015 ([weblink](#))

The Mayor's Transport Strategy (GLA) 2010 ([weblink](#))

The Airports Commission Report: Carbon Emissions, Air Quality and Noise. First Report of Session 2015-16 (House of Commons Environmental Audit Committee) 26 November 2015 ([weblink](#))

RBKC Air Quality Action Plan 2009-2014 (RBKC) 2009 ([weblink](#))

H&F Response to the DEFRA Consultation on Draft Plans to Improve Air Quality (LBHF) November 2015 ([weblink](#))

H&F Air Quality Action Plan 2002-2005 (LBHF) 2002 ([weblink](#))

Up in the Air: How to Solve London's Air Quality Crisis, Part 1 (Policy Exchange) November 2015 ([weblink](#))

Appendix C

Summary of Written Evidence Submissions Received

A total of 40 submissions were received by the end of February 2016 in response to the open call for written evidence and a further 32 comments were posted online in response to the Air Quality Commission news releases.

Respondents

- 22 local residents
- Avonmore Residents Association
- White City Residents Association
- H&F Airport Expansion Commission
- Hammersmith Community Trust
- Hammersmith Society
- Fulham Society
- H&F Cyclists
- AirTEXT
- Cleaner Air in London
- Cleaner Air for West London
- West London Friends of the Earth
- Cllr Wesley Harcourt, Hammersmith & Fulham Council
- Andy Slaughter MP
- Rt Hon Greg Hands MP
- Greater London Authority/Transport for London
- Centre for Environmental Policy, Imperial College London
- Autogas Ltd
- Society of Motor Manufacturers and Traders

The Evidence

Residents' views

All of the responses from local residents focussed on road traffic pollution but some also raised concerns about air traffic and construction works. There were criticisms of the numbers of drivers of cars and vans (including taxis and builders' vans) that sit with their engines 'idling'. There were also specific criticisms of high polluting vehicles such as diesel cars, vans and lorries.

There were a range of 'carrot and stick' proposals put forward for incentivising drivers to switch to electric vehicles or other modes of transport and/or penalising the worst polluters.

Local organisations

The H&F Cyclists' response submitted evidence of measurements of NO₂ in the borough that they had carried out in conjunction with PlanetEarth. These measurements suggest that pollution may be worse than the readings recorded by LBHF's own monitoring stations.

The Hammersmith Society response proposed actions that the Council might undertake to promote the use of electric vehicles and to increase tree and vegetation cover across the borough.

The White City Residents Association response drew attention to the high volume of construction traffic that is likely to increase pollution in the White City and Old Oak area unless mitigating action is taken in advance of the major regeneration programmes planned for the area. The need for major public transport infrastructure development to accommodate the population expansion and reduce car use in the area was also flagged in the WCRA response as was the importance of maintaining green space and trees to tackle air pollution.

The response from the Chair of the H&F Airport Expansion Commission is an extract from the Commission's submission of evidence to the Davies Commission highlighting the likely increase in both air traffic and road traffic pollution that would arise from the expansion of Heathrow. The West London FoE response also focuses on the likely impact of Heathrow expansion.

Regional bodies

The GLA and TfL response (submitted jointly) answers the specific questions posed by the Commission as to what regional government is doing to address the air pollution problem across London and sets out what is required at national and European government level.

Professor Helen ApSimon of Imperial College London submitted details of a new vehicle NOx rating scheme that is being initiated.

National bodies and companies

Autogas Ltd, a joint venture between Calor and Shell, presented evidence of the improvement in emissions from LPG vehicles in comparison to those using petrol or diesel.

The Society of Motor Manufacturers and Traders (SMMT) submitted evidence of progress being made by the motor industry in reducing emissions from vehicles. The SMMT also submitted its response to a DEFRA consultation on draft plans to improve air quality from November 2015.

The responses received are contained in three volumes of evidence that can be found on the Air Quality Commission webpage at www.lbhf.gov.uk/airqualitycommission

Appendix D

Key Pollutants

Ammonia (NH₃): a byproduct of agriculture, particularly livestock manure, slurry management, and fertilizers. Smaller amounts can be derived from transport and waste disposal. It is not harmful to humans or mammals but is damaging to terrestrial and aquatic ecosystems. It is a precursor to secondary particulate dispersion.

Nitrogen oxides (NO_x): combustion processes (e.g. inside motor vehicles) emit a mixture of nitrogen oxides (NO_x), primarily nitric oxide (NO) which is quickly oxidised in the atmosphere to form nitrogen dioxide (NO₂). NO₂ has health impacts from penetration of the lungs and physiological systems.

Ozone (O₃): not emitted directly from any sources. It is a secondary pollutant formed through the reaction of volatile organic compounds with NO_x and hydrocarbons in the presence of sunlight. Whereas nitrogen dioxide acts as a source of ozone, nitric oxide (NO) destroys ozone and acts as a local sink (NO_x-titration). For this reason, O₃ concentrations are not as high in urban areas (where high levels of NO are emitted from vehicles) as in rural areas. Ambient concentrations are usually highest in rural areas, particularly in hot, still and sunny weather conditions which give rise to summer 'smogs'.

Particulate matter (PM) includes:

- primary particles: those directly emitted from a source, including combustion and mechanical sources, such as traffic emission;
- secondary particles: those formed in the atmosphere as a result of chemical reactions between gases such as ammonia, nitrogen oxides or sulphur dioxide.

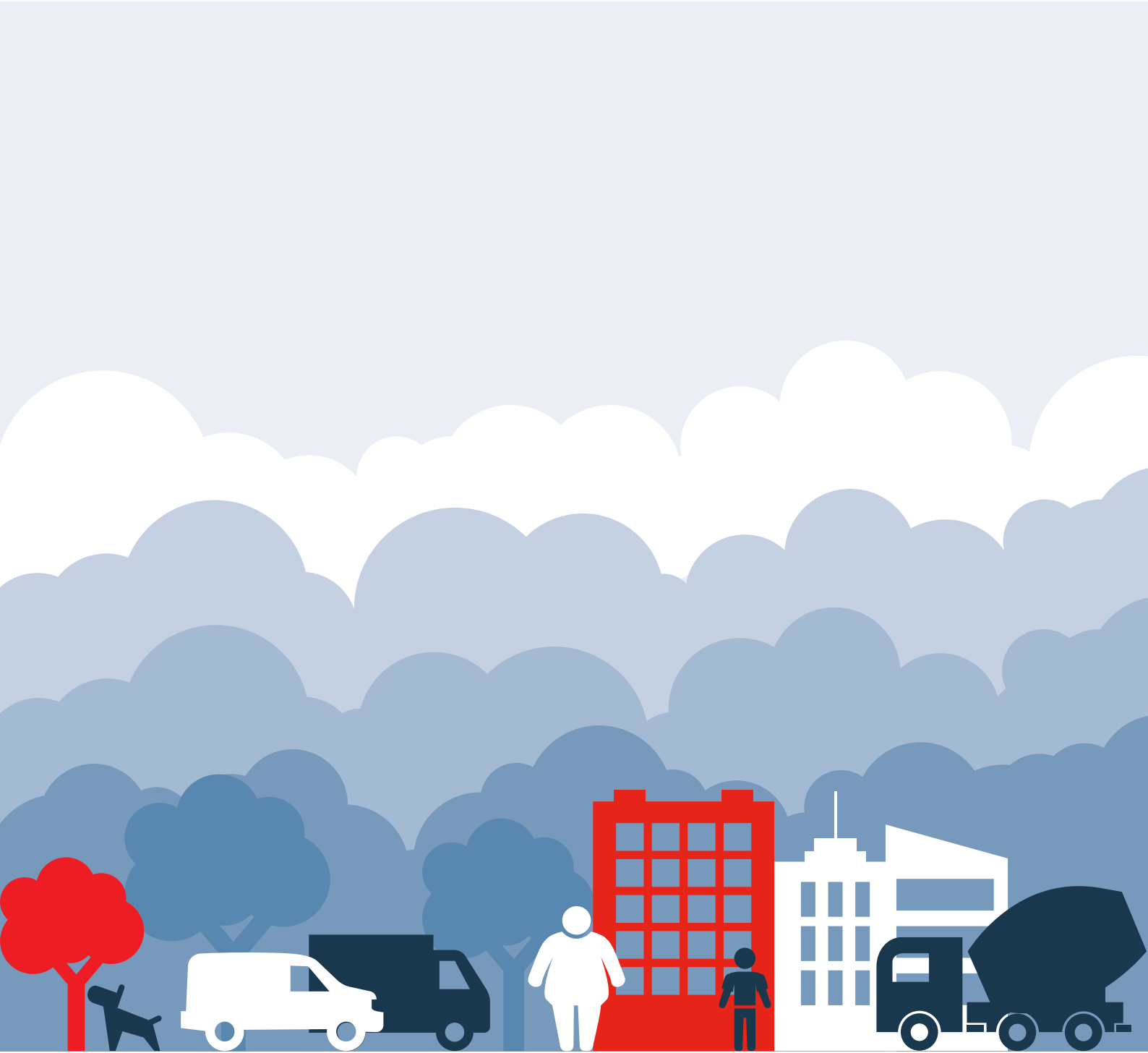
PM is conventionally defined and measured by size:


- Coarse particles (PM₁₀–PM_{2.5}): particles smaller than 10 μm (10 thousandths of a millimetre or a micron) in diameter but greater than 2.5 μm diameter. Coarser particles arise from re-suspended road dust, brake and tyre wear, sea salt, quarries and soil;

- Fine particles (PM_{2.5}–PM_{0.1}): particles less than 2.5 μm diameter, which include most combustion particles such as those emitted from diesel engine exhaust, waste burning, bonfires, and domestic biomass burning; and secondary particles of ammonium sulphate or nitrate;
- Ultrafine particles (PM_{<0.1}): particles less than 100nm diameter (100 millionths of millimetre or nanometre) which are emitted in large numbers from diesel engine exhaust.

PM has health impacts with smaller particles considered particularly harmful.

Sulphur dioxide (SO₂): produced by industrial process such as combustion of fossil fuels for energy production. Exposure causes constriction of the lung's airways, particularly concerning for those suffering from asthma and/or chronic lung disease. As SO₂ is typically a precursor to secondary PM exposure, it contributes to the negative health effects of PM. Environmentally, SO₂ exposure harms plants by degrading chlorophyll, reducing photosynthesis, increasing respiration rates and changing protein metabolism. Deposition of SO₂ pollution can acidify soil and water resulting in a loss of biodiversity often in places distant from the source of the emissions.



<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">7 NOVEMBER 2016</p>	
<p>H&F REPOSE TO THE DRAFT SUSTAINABILITY AND TRANSFORMATION PLAN FOR NORTH WEST LONDON</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: No</p>	
<p>Wards Affected: N/A</p>	
<p>Accountable Director: Nigel Pallace, Chief Executive</p>	
<p>Report Author: Peter Smith, Head of Policy and Strategy</p>	<p>Contact Details: Tel: 020 8753 2206 E-mail: peter.smith@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The Coalition of CCGs for North West London is consulting on its draft Sustainability and Transformation Plan (STP). Attached is a draft response to this plan from H&F Council.
- 1.2. Other councils within the North West London footprint, including Ealing, have been taking the STP through their own decision making processes during October and November. It is understood that the decision being taken in other Councils is whether support in principle can be given to the STP October submission, with this support being subject to receiving subsequent clarity on the impact of plans including the funding transfer to local government and the out of hospital strategy.

2. RECOMMENDATIONS

- 2.1. That the Council agrees the draft response to the STP.

- 2.2. That the Council agrees to append the Review of the STP, researched and written by Roger Steer, John Lister and Sean Boyle, to the H&F response.

3. REASONS FOR DECISION

- 3.1. The STP sets out proposals for the future of health and social care services across North West London for the next five years and beyond. Local authorities and the wider public are being consulted on these proposals, which include the downgrading of acute hospital services, affecting Charing Cross and Ealing hospitals in particular. This response sets out the Council's long established position in defending Charing Cross and Ealing Hospitals as set out in the Independent Mansfield Healthcare Commission.

4. PROPOSAL AND ISSUES

- 4.1. NHS England has initiated the development of STPs across all 44 regions of the country. As a plan for the future of health and social care services, the North West London STP has incorporated the CCGs' plans for acute hospital services, as previously set out under the Shaping a Healthier Future programme.
- 4.2. H&F Council is supportive of the expansion of out-of-hospital services but is wholly opposed to the reduction in bedspaces and downgrading of A&E services at Charing Cross and Ealing hospitals. The attached draft response sets out this position.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. After the draft STP was circulated on 30 June, H&F and Ealing Councils jointly commissioned an assessment and critique of the Plan. This was completed in early October and the report is attached as Appendix 2. It is proposed that this report be appended to the H&F response to the STP and submitted to the Coalition of CCGs.

6. CONSULTATION

- 6.1. The Coalition of North West London CCGs held a public consultation meeting on the STP for H&F residents at the St Pauls Centre on 3rd October, where the Leader of the Council and some 50 or so local residents expressed their views on the draft Plan and the future of health and social care services in the borough.

7. EQUALITY IMPLICATIONS

- 7.1. There are no direct equality implications arising from the Council's draft response to the STP but there may be equality implications arising from any decision to close bedspaces or downgrade services at Ealing and/or Charing Cross hospital.

8. LEGAL IMPLICATIONS

- 8.1. The requirements in respect of the timing and content of Sustainability and Transformation Plans (STPs) are set out in Delivering the Forward View: NHS Planning Guidance 2016.
- 8.2. There are no direct legal implications for the purposes of this report.
- 8.3. Implications verified /completed by: Kevin Beale, Senior Corporate Lawyer, tel. 020 8753 2740.

9. FINANCIAL IMPLICATIONS

- 9.1. There are no direct financial implications arising from the Council's response to the STP but the financial implications for the Council from the implementation of the STP itself are unknown at this stage as the financial modelling data is still being worked on by the North West London (NWL) STP finance teams.
- 9.2. The STP was initially presented to local authorities as a means to access care budgets through NHS transformation funding. When H&F and Ealing refused to sign up to the STP it was suggested that this might affect decisions on funding allocations to those boroughs. Subsequent statements by NHS officials, however, have clearly stated that this is not the case. The latest statement to this effect was made by the Accountable Officer for the NWL Coalition of CCGs at a public consultation on the draft STP at the St Pauls Centre on 3 October.
- 9.3. Implications verified/completed by: Hitesh Jolapara, Strategic Finance Director, tel. 020 8753 2501.

10. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Sustainability and Transformation Plan for North West London - published	Peter Smith x2206	Delivery and Value

LIST OF APPENDICES:

Appendix 1: LBHF Response to the STP

Appendix 2: Review of Shaping a Healthier Future and the North West London STP

Appendix 1 - The London Borough of Hammersmith & Fulham's response to the draft Sustainability and Transformation Plan for North West London

Summary

The London Borough of Hammersmith & Fulham (H&F) is strongly opposed to proposals developed through the Shaping a Healthier Future (SaHF) programme to reconfigure acute hospital care in North West London.

The Independent Mansfield Commission published its review of the government's SaHF proposals for North West London following a 9-month public inquiry. It documented many concerns which H&F endorses.

The Council recognises the urgent need to develop improved out-of-hospital care and is working positively to invest in, and better align primary, social, and acute care with local partners in the NHS. The Council believes that the efficiencies this could bring, if managed successfully, are essential to meeting increased demand caused by a growing local population.

We agree with the statement in the North West London Sustainability and Transformation Plan (NWL STP) that "...both the NHS and local government need to find ways of providing care for an ageing population and managing increasing demand with fewer resources".

However, the Council notes that all the key component parts of SaHF form the basis of the NWL STP.

At the heart of the NWL STP is an acceptance that Charing Cross and Ealing Hospitals will be demolished and replaced with significantly downgraded health care offers and that the capital receipts from the sale of much of the hospitals' land is intrinsic to the delivery of the STP. H&F is strongly opposed to this. H&F therefore opposes the NWL STP.

Along with the London Borough of Ealing, H&F has not signed up to the NWL STP. This Council remains deeply concerned that there has been a consistent and repeated failure to publish the Implementation Business Case for the SaHF programme to NWL NHS's own deadlines. The financial data central to the NWL STP, that is due to be presented to the Treasury, is still yet to be concluded or made public so has remained unavailable for public scrutiny. This is indicative of the lack of transparency throughout the NWL STP process and a key reason H&F has no confidence in it.

H&F firmly rejects the proposals to demolish Charing Cross and Ealing Hospitals and to downgrade the A&Es.

H&F Council does however support some of the aspirations set out in the NW London STP. Those are:

- Invest in a range of preventative services that will improve health and well-being;
- Improve the management of people with long term health conditions in the community;
- Achieve better outcomes and experiences for older people;
- Improve outcomes for children and adults with mental health needs;
- Invest in adult social care services, which are under considerable financial pressure nationally;
- Invest additional funding in NHS out-of-hospital care facilities and services.

We support plans to jointly commission community services across the NHS and local government, building on working relationships. We recognise well developed and mature partnerships are already in place, as evidenced by effective Health and Well-being Boards across North West London and a range of integrated services delivering real benefits to residents with health and social care needs.

We recognise joint progress made in whole systems health and social care integration in recent years with a range of new and effective services in operation. These include:

- Intermediate Care services offering targeted support to people to prevent unnecessary hospital admissions and ensure timely hospital discharges;
- Care co-ordination of people with long term health conditions supported in primary care to ensure that people are supported to remain healthy at home;
- Joint contracts between local authorities and CCGs offering cost effective and high quality services to residents.

We welcome the work done as part of the STP to model the cost and benefits of integrated care and prevention and support the commitment to close the social care funding gap. We also support the commitment to investment in transforming services in a cost effective, sustainable way.

Detailed Response to the draft STP

1. Estates

- 1.1 In principle, the Council supports the proposal for local hubs where primary care, community, mental health, social and acute care providers can come together to deliver integrated patient-centred services, although Hammersmith & Fulham Council is sceptical about the likely investment sources for such a venture and will not accept any planned use of current hospital space at

Charing Cross to locate such uses if they impact adversely on, or assume reduced provision of, A&E or acute bed provision.

1.2 H&F Council does not support the SaHF plans for consolidation of services on fewer major acute sites as they currently stand.

1.3 We would like clarification about available capital for new sites and buildings.

2. Workforce

2.1 We welcome the commitment to workforce development and transformation.

2.2 We support training in specialist and enhanced skills (such as in the care of older adults) to meet our growing and changing population needs. We are committed to multi-disciplinary working, reduced service duplication and a less complex care system for our residents with fewer assessments.

2.3 We do, however, have concerns with the statement that "...there will be a 50% reduction in workforce development funding for staff in Trusts," and call on the Department of Health to share its modelling on the consequences of this change.

3. Digital Transformation

3.1 In local government we are committed to exploring new ways of working including use of digital technology. This includes using evidence-based digital technology in relation to health and social care and new opportunities for:

- Self-care with patients to look after their own health and social care needs and monitor their own long-term conditions;
- Improved case-finding;
- Improved evaluation of benefits;
- Better Information sharing between providers.

4. Primary Care

4.1 We welcome additional investment in GP services of £58m across eight boroughs over four years but have concerns that this is insufficient and that GPs are struggling to rise to significant challenges including:

- the expected increase in the population of older adults;
- challenges with the supply of the GP and nurse workforce;
- the age profile of the GP and nurse workforce;
- recruitment and retention challenges.

- 4.2 Our own consultants' analysis of the STP (submitted with this response) suggests that this investment will be insufficient to meet the long term goals of the Plan.
- 4.3 The Chair and Secretary of the Kensington and Chelsea, Westminster and Hammersmith & Fulham Local Medical Committee wrote to the H&F Cabinet Member for Health and Adult Social Care as recently as last month (30 September 2016) stating that "GPs in London and across the country have declared a GP state of emergency".
- 4.4 Dr Paul O'Reilly and Dr Katie Bramall-Stainer state in their letter that patients risk losing their GPs unless the following workload, funding, work force and premises pressures on general practice are dramatically and appropriately eased:
- Primary care workload has been increasing year on year for many years now and is not just greater in volume, but also in complexity;
 - The income of London practices is falling. The core contract is inadequately funded and does not take account of the increased complexity of routine work. In making place-based STPs, core funding to practices must be protected, so that it cannot be siphoned off to pay for other services, to shore up financial failure in other sectors, and must be increased to take account of the chronic underfunding of general practice and the shift of work from the acute sector. GPs need a stable, reliable income on which to base their plans for development and to sustain them to deliver current and future workload;
 - Half of London's general practices are short of a key member of staff, over a third are missing at least one GP and over forty per cent have a GP planning to retire within the next three years. The remaining GPs, practice nurses and their teams are working flat out to fill in the gaps, but they're at breaking point and need help to deal with the growing complexity of London's health needs. Without increased support, the future of community general practice looks decidedly gloomy: delivering current service with fewer staff is unsustainable and unsafe in the long term, let alone stretching to extended seven day services;
 - GPs and patients need access to more suitable, affordable practice premises as a matter of urgency. GP premises must be approachable, local and connected. Commissioners and local authorities could do more to facilitate the development of suitable, affordable local premises, and to release funding to deal with urgently needed upgrades and repairs.
- 4.5 The concerns raised by the LMC casts serious doubt on the STP's assumptions as to the capacity of general practitioners to take on the extra demands of the planned expansion of out-of-hospital services.

5. Savings Proposals

5.1 The NWL STP set out a projected funding gap of £1.3 billion by 2020 across the NHS and social care and a summary of proposals to reduce this gap and ensure the future sustainability of health and social care in the region.

5.2 It includes assumptions that significant savings can be achieved through a number of programmes. These relate to:

Delivery Areas 1-5:

DA1 - Radically upgrading prevention and wellbeing;

DA2 - Eliminating unwarranted variation and improving Long Term Conditions management;

DA3 - Achieving better outcomes and experiences for older people;

DA4 - Improving outcomes for children & adults with mental health needs;

DA5 - Ensuring we have safe, high quality sustainable acute services.

5.3 H&F Council opposes the reconfiguration of acute hospital care, envisaged in DA5.

5.4 In addition, a significant proportion of the savings are from “Business as Usual savings”; that is efficiency savings from the acute hospital trusts, mental health, community services and the commissioning budgets of the CCGs. The consultants’ report commissioned by H&F Council (appended to this response) questions the evidence base for these projected savings.

5.5 We welcome the acknowledgement of pressures within adult social care and proposals set out for an investment of transformation funding to meet the gap identified by the local authorities across the region.

5.6 This social care gap by 2020 is projected at £145m. The government’s proposals are set out to reduce that gap by:

- authorities using their power to increase the precept for social care in the council tax by up to 2% (H&F Council strongly objects to raising council tax as we do not intend to pass care costs on to residents);
- savings from proposals produced by local authorities across the region;
- savings through joint commissioning;
- a share of health savings;
- a residual gap from the additional £148m Sustainability and Transformation Fund.

5.7 It is proposed that the savings projected for local government will be achieved through investment of £21m a year in 2017/18 rising to £34m by 2020/21.

5.8 The report prepared for H&F and Ealing Councils by Roger Steer, John Lister and Sean Boyle (submitted with this response) casts doubts on the evidence base for these projected savings.

6. Accountable Care Partnerships

6.1 The NWL STP also sets the goal of establishing Accountable Care Partnerships (ACPs) as one of the new ways to deliver the new system. This could include options set out in the Five Year Forward View for new models of health care – Multi-Specialty Community Providers, to be led by GPs and Primary and Acute Care Systems to be led by acute trusts.

6.2 We note that there has been limited experience of health and social care ACPs to date nationally and we would want to be engaged at an early stage in any discussions about the development of this in NW London, in order to be able to evaluate the benefits and risks of this model before we would be in a position to respond.

Conclusion

The London Borough of Hammersmith & Fulham is totally opposed to the NWL STP and has no confidence in it. We have significant concerns about the lack of transparency and its likelihood of achieving its stated objectives.

We are totally opposed to any plans to downgrade Charing Cross Hospital to a 'local hospital' and oppose any planned bed space closures or closures of A&E services at that hospital.

The Council will continue to work positively with all partners to invest in community, out-of-hospital and preventative services. We are committed to building upon the foundations of integrated services and this Council's strong track record of offering flexible patient-centred community services for the residents of our borough.

A detailed analysis of the draft STP, which has informed this response, is appended.

Health and social care in
North West London

A review of
Shaping a Healthier Future and
the North West London STP

Final report

Roger Steer, John Lister, Seán Boyle

1 October 2016

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SUMMARY

1 Introduction

- 1.1 This is a review of the latest available information on health care changes in North West London, incorporating both information on the new Sustainability and Transformation Planning process and the latest on Shaping a Healthier Future (SaHF).
- 1.2 It is based on the most recent versions available to us (Sustainability & Transformation Plan (STP) V1.0 dated 30 June 2016).

2 Description of the STP process and its implementation in North West London

- 2.1 STP is a new approach to promote collaboration rather than competition between commissioners and NHS providers in local health economies (“footprints”). Since January 2016 England has been divided into 44 Footprints, with each area required to draw up STP plans, working to a strict and rapid timetable which initially stipulated drafts for 5-year plans had to be submitted to NHS England by the end of June.
- 2.2 STPs are now the instrument through which NHS England is attempting to achieve sustainability, to “reset” the finances of the NHS, to tackle the deficits that have already developed at provider level, and to drive reconfiguration and transformation in a more direct way than hitherto.
- 2.3 As part of the STP process London has been divided into five sub-regional areas, North West, North Central, North East, South East and South West: each Footprint has been required to draw up 5-year plans to restore local health systems to financial balance, while at the same time delivering improvements in performance, and integrating health services with social care – which remains the responsibility of local boroughs.
- 2.4 The North West London STP (v1.0) contains many of the same elements as the SaHF proposals that have been highly contentious over the last five years.
- 2.5 At a time when NHS trusts are being asked to make every possible saving and efficiency they can in their effort to deal with the continued shortage of funding in the NHS, the extra cost pressures associated with implementation of the STP will make life more difficult for trust boards, and inevitably divert management time from the organisation of front line services.
- 2.6 The STP has been developed with little reference to the views of residents in North West London. There has been a minimum of (often inaccurate) information on the content, implications and direction of the developing plans. Council leaders and others have been expected to sign up in support of complex and detailed documents they have had little chance to study or critique.

- 2.7 Local authorities have been offered an incentive of “transformation fund” money that might be used towards the future development of social care services.
- 2.8 The position in North West London is no local exception. Elsewhere most STP plans have been kept confidential, and there has been little public consultation on the controversial issues that underlie many of them.
- 2.9 The Nuffield Trust in September 2016 reported on the ambitious nature of the STP process, saying “the speed with which plans are being pulled together is astonishing”, that it “will require skilful implementation of a large number of complex, intra-organizational change management projects in areas that are likely to be controversial”, and “there are significant risks embodied in what needs to be done”. The report questioned what it described as plans based on “plausible hypotheses with little real-time evidence”, and noted that “STP leaders are acutely aware of optimism bias and even of magical thinking”.

3 The assumptions behind STP proposals: how far are they supported by evidence?

- 3.1 The STP presents a “Case for Change” arguing that the NHS and local government together must find ways of providing care for an ageing population and managing increasing demand with fewer resources.
- 3.2 The STP presents what it terms “the Overall Financial Challenge” suggesting that with no change, by 2020/21, providers will be in deficit to £659 million, there will be a fivefold increase in CCG deficits, and a ninefold increase in total NHS deficits. No supporting evidence is offered for these figures.
- 3.3 The STP identifies five “Delivery Areas” where investment will take place to improve quality while helping to bring about financial stability: prevention and wellbeing; unwarranted variation in long-term conditions; better outcomes and experiences for older people; better mental health outcomes; and, safe, high quality sustainable acute services. Little detail is provided, other than a list of enablers, of how these investments will work or what returns are likely to be achieved.
- 3.4 The STP states that it is necessary to reduce the number of acute hospital sites to five, which would result in the closure of Ealing and Charing Cross hospitals as acute sites. No argument or supporting evidence is provided for this view, although we believe it is driven by the need to reduce expenditure.
- 3.5 The STP focuses on the need to make “savings” of £1.3 billion by 2020. This is said to be necessary to address the gap between available resources and levels of need for services that is projected to open up by 2020 as a result of the continued under-funding of the NHS and cuts in social care.
- 3.6 The STP identifies a social care financial “gap” of £145 million by 2020/21. This is intended to be met by boroughs using their power to increase the

precept for social care in the council tax by up to 2% (£63 million); STP local government savings (£25.5 million); savings through joint commissioning (£22 million); savings share of health savings (£15 million); and, a residual gap of £19.5 million to be met from the Sustainability and Transformation Fund. There is no detail on any of the projects that will enable these savings to be made, or what will happen if they are not.

- 3.7 NHS England may make available £147 million of the Sustainability and Transformation Fund to North West London by 2020/21. North West London allocations for health and social care are set to increase from £3.64 billion to £4.09 billion. The additional STP money – which would only be available if a satisfactory STP plan is submitted – would increase that total to £4.24 billion.
- 3.8 The evidence supporting the STP proposals lacks substance and is often flawed. The plans for downsizing and downgrading hospitals and reconfiguration of services rest on largely unproven assumptions that large numbers of seriously ill people can be kept out of hospital by services in the community or from primary care – and that such provision can save money compared to existing services.
- 3.9 The STP does not take account of a growing body of important independent evidence that questions its core assumptions; this comes from bodies like the King’s Fund, the Nuffield Trust, the Policy Innovation Research Unit as well as parliamentary committees and learned academic papers.
- 3.10 Although the STP appears to offer references to external sources, none of these is a reference to a working example or to experience of any of the STP ideas being applied in practice.
- 3.11 We are not convinced that this STP can deliver anything like the large-scale financial savings that the plans project.
- 3.12 If the objective is to transform and integrate services, it is clear that capital is required, along with a process that establishes and tests out the alternative provision of services before busy acute beds are closed and hospitals downgraded. In other words a serious proposal along these lines would require investment up front to cover double-running costs and the eventual phased closure of redundant beds: any savings could only be generated in the long term, not immediately.

4 Current financial position in North West London

- 4.1 The context for assessing the current financial position in the NHS as a whole is one of reduced funding, high demand for services and reductions of 25% in numbers of people receiving social care. The NHS is in a position of prolonged relative financial pressure compared to the past.
- 4.2 However, despite a slight deterioration recently, the NHS in North West London has a record of achieving targets and maintaining good overall financial control.

- 4.3 Funding for public provision for adult social care in cash terms fell by over 10% between 2010/11 and 2014/15 from £14.9 billion to £13.3 billion; in real terms it fell by an average of 2.2% per year between 2009/10 and 2014/15, leading to a 25% reduction in the number of people receiving publicly-funded social care.
- 4.4 Reductions in social care funding are having an impact on the NHS; the recent report in the DH Annual accounts for 2015/16 drew attention to the 11.4% increase in bed days lost caused by delayed discharges because social care was not available.
- 4.5 The financial situation does not justify a high-risk strategy attempting an unprecedented “transformation”, including reductions of almost 600 beds and further cuts in A&E capacity, at a time of increasing population, and increased demand, some of which is due to government cuts in social care. Certainly bed reductions should not be attempted before there is more concrete evidence that demand is reducing and capacity is not required.
- 4.6 The continued inability to present an agreed Business Case providing proof that SaHF plans are affordable, economic and deliverable, reinforces our view that more affordable “Do Minimum” options should be developed.
- 4.7 It will be 2017 before the Strategic Outline Case (SOC) is available for SaHF. One of the criteria used in assessing the Business Case will be the level of engagement and commitment of stakeholders. It will be very difficult to demonstrate these have been established if the business case and its supporting evidence have not been shared.
- 4.8 Given further pressure on capital budgets in the NHS, with land receipts being earmarked nationally to deal with revenue pressures it would be very unwise for the STP to be based on a presumption that full approval for large capital sums will be given.

5 System performance in North West London

- 5.1 The latest estimate of the population in North West London (mid-year 2015 estimates) suggests there are already 2.06 million people, outstripping already the population estimates upon which SaHF was based. The population is projected to continue to grow more quickly than the rest of England, with an increase by 2024 of over 11% across all of North West London, rising to 26% by 2041.
- 5.2 The North West London emergency system already operates an effective split between those people needing urgent care and those in need of emergency care; this has resulted in just one-third of so-called A&E attendances being to acute A&E departments. This in itself is probably a good thing but the abysmal failures of the emergency system in recent months imply there is a significant issue with delivery in the North West London and one that would only be exacerbated by further closures of acute sites.

- 5.3 North West London residents do not over-use acute A&E services when compared with residents of the other London boroughs, or indeed with the rest of England. Utilisation was falling before the closure of Central Middlesex and Hammersmith A&Es, and has continued to fall since. On the other hand, North West London residents make considerably more use of UCCs and the like, over three times as much usage as England in 2015/16.
- 5.4 Type 1 A&E performance in North West London, when measured against the 4-hour target, in the first quarter of 2011/12, was better than the rest of England and the rest of London, and with breaches of the 4-hour target running at just over 3% was well within the margin of the target of 5% set by the government. However the position has worsened, particularly since the closure of two A&E units in North West London (on 10 September 2014).
- 5.5 In 2014/15 we find North West London is much worse than the rest of country and the rest of London: in the third quarter of 2014/15 the figures were 18.3%, 10.9% and 11.1% respectively breaching the target. However, in 2015/16, while the position in North West London got slightly worse, the position in the rest of London and the rest of England deteriorated significantly. Thus by March 2015/16, the comparable figures for North West London, the rest of London and the rest of England were 20.6%, 17.2% and 18.1% in breach respectively. This indicates a rapid failure in the North West London system moving it from being one of the best in the country to now one of the worst.
- 5.6 This suggests that the closure of acute services at Charing Cross and at Ealing should be halted and sufficient resources made available to retain existing services and staff. There should also be an appraisal of the reintroduction of A&E services at Hammersmith with joint staffing across the three Imperial sites.

6 Conclusions

- 6.1 The STP is merely a re-iteration and an elaboration of the SaHF plans, but with a limited five-year time horizon, and within that a tighter focus on eliminating provider deficits within two years. It is therefore no substitute for the SaHF business planning process which of necessity has a much longer planning horizon. This discrepancy runs the risk of promoting short-term cutbacks at the expense of meeting long-term needs.
- 6.2 The STP is not adequately rooted in a needs analysis. There is no discussion of recent population increases and the increased population projected. The STP appears to have ignored the latest population projections and so we have no confidence in the level of services being planned for.
- 6.3 There is no reflection on the action that has been taken in North West London in recent years both to manage the finances in the short term (successful) and to progress the SaHF plans via various closures and experiments in primary, social and community care (unsuccessful).

- 6.4 We estimate some £200 million may have been spent already on taking SaHF forward over the past five years, and there is little to show for it.
- 6.5 At this stage we would have expected to see some progress in reducing demand for acute beds. Instead we have seen reductions in social care funding, a crisis in care homes and increasing demand and activity in acute beds. Operationally there has been a worsening in quality and a drain on local resources. All of these are the opposite of the intended consequences.
- 6.6 The STP plan relies upon a fundamentally naïve options appraisal: it offers only a choice between “Do Nothing” or “Do Something”. This is contrary to Treasury guidance on investment appraisal which regards a “Do Minimum” option as vital in avoiding the presentation of ostentatious and costly options, involving greater capital investment and risk than more modest proposals.
- 6.7 The figures quoted in the STP’s financial and economic analysis follow the previous path of quoting indicative, unsubstantiated figures, presented to inappropriate levels of detail, at an unpublished cost base, and which have proven in the past to be misleading as an estimate of the eventual costs. From the analysis presented it is not clear whether the investments are economic, realistic or deliverable. By ‘economic’ we mean whether the benefits proposed could not be delivered more cheaply by other means. By ‘realistic’, we mean whether the business case and evidence supporting savings proposals are compelling and sound. And by ‘deliverable’ we mean that assumptions on capital availability, including capital receipts, management expertise and staffing can support the magnitude of the ambitious plans put forward.
- 6.8 There is a lack of compelling evidence to support these far-reaching plans. No one would oppose plans to prevent illness or to direct care to less intensive settings – if there was UK evidence that such strategies are working and are deliverable. But at a time of rapidly expanding population, an even more rapidly expanding elderly population, and manifest problems in primary, community, social and mental health services it is foolish to gamble heavily on the success of an unproven strategy. The material cited as evidence by the STP lacks working examples of the new models the commissioners wish to establish, and therefore practical evidence on whether it is possible to deliver either the services required or the savings which are the key current objective.
- 6.9 The risk analysis in the STP is very weak. It fails to cost the consequences of risk events occurring and to assign a probability factor to such events. Based on the evidence before us, we see the risks at this stage – high avoidable costs and deterioration in the volume and quantity of services that are needed – as too high to be acceptable. There appears to be very little in the way of contingency planning to ensure that a failure of one or more parts of the plan do not endanger the longer term continuity of services to patients.

7 Recommendations

- 7.1 The SaHF programme should be abolished / suspended, thereby saving a considerable sum of money at one fell swoop.
- 7.2 There should be an independent review of the North West London health system undertaken under the auspices of a joint health and local authority initiative that builds its case on a thorough assessment of the needs for health and social care of local populations, at local levels.
- 7.3 There must be no presumption that so-called ‘reconfiguration’ of acute services is the solution to what may not be a problem at all.
- 7.4 A “Do Minimum” option should be worked up that seeks to replace speculative and unproven investment in service changes, that require very high levels of up-front investment, with more modest proposals designed to improve quality in the areas most exposed.
- 7.5 In addition there must be no presumption that the solution will involve a top-down approach across the whole area as SaHF assumed; there should be an openness to consideration of local solutions, possibly at the borough level, where these can be shown to work.
- 7.6 The NHS and local authorities must agree to work together to achieve a joint aim to provide good accessible health and social care to all local populations within a sustainable financial model.
- 7.7 The attempt to close Ealing and Charing Cross hospitals must be immediately stopped; there should be a guarantee to sustain acute health services on these sites – with no more double talk from NHS leaders – until the above review is complete and any associated business cases are taken through to Full Business Case level, which is likely to be at least five years.
- 7.8 In light of current failures in the system in North West London there should be an independent review of the emergency system under the auspices of the above joint health and local authority initiative; and this as a matter of urgency should examine the closure of Hammersmith and Central Middlesex A&E departments with a view to opening these, if that is what the review suggests is needed, and what local people want. Local people must be given honest and genuine choices; the opportunity cost of retaining these sites as A&Es must be made apparent.
- 7.9 There should be a review of primary care services in the region, and following this review, immediate steps should be taken to rectify any issues. However any investment must be based on a clear business case that relates costs and benefits to changes across the whole system.
- 7.10 Similarly there should be a review of out-of-hospital services in the region, to establish a clear case if it exists for out-of-hospital services acting as a way of reducing demand for acute services, and also as a way of reducing total system costs. Following this review, any investment in out-of-hospital

services must be based on a clear business case that relates costs and benefits to changes across the whole system.

- 7.11 In the case of changes that take place in primary care and out-of-hospital services as a result of the reviews outlined above, there must be a business case presented that makes a clear case for system-wide improvement arising out of these changes, and this should be consulted on with the relevant local populations; there should be no assumption that this is the population of the whole of North West London.

1 Introduction

This report is a review of the latest available information on health and social care changes in North West London, incorporating both information on the new Sustainability and Transformation Planning process, which has prompted this report, but also the latest on Shaping a Healthier Future (Appendix 1).

Our critique of the Sustainability & Transformation Plan (STP) is based on the most recent version available to us (V1.0 dated 30 June 2016), which was published by NHS England on its Healthier North West London website¹.

This report gives more details of the plans of the NHS, incorporated in the “Sustainability and Transformation Plan” (STP) process as it is known and includes some commentary on the progress of STP plans in other parts of the country (section 2); provides commentary on the evidence base available (section 3) and shows how this will affect the processes around taking forward the SaHF plans, which have been to a considerable extent subsumed in the STP process (Appendix 1). The STP reasserts the wish expressed in “Shaping a Healthier Future” (SaHF) to accelerate the downgrade of Ealing hospital², in this context as a contribution to the financial savings NHS commissioners are seeking to achieve.

Section 4 gives up-to-date information on the background financial position of the NHS, and concludes that the available figures do not justify panic measures overturning established processes.

Section 5 looks at recent trends in population growth and provides an update on performance issues in North West London. This reinforces the case for plans to be soundly based on actual population projections, and to be very closely scrutinised before approval can be given.

Some concluding remarks about the STP are provided in section 6. Finally, Appendix 3 provides some more detail on STP savings plans while Appendix 2 and 4 tabulate and discuss some of the evidence used to support the STP.

¹ <https://www.healthiernorthwestlondon.nhs.uk/news/2016/08/05/north-west-london-sustainability-transformation-plan>

² See the p8 & p46 of the draft V1.0, which explicitly call for a more rapid process at Ealing Hospital, which has elsewhere (p7) been portrayed as non-viable:
“The financial modelling shows a forecast residual financial gap in outer NWL providers at 20/21, attributable to the period forecast for completing the reconfiguration changes that will ensure a sustainable end state for the providers. **This could be resolved by bringing forward the acute configuration changes described in DA5c relating to Ealing.**” – p8 [our emphasis]

2 Description of the STP process and its implementation in North West London

On 22 December 2015, in a circular to NHS chief executives, NHS England announced a new organisational restructuring to respond in a more centralised and coordinated way to the intensifying financial pressures on the NHS and social care³. The new approach is to promote collaboration rather than competition between commissioners and NHS providers in local health economies (“footprints”). Since January England has accordingly been divided into 44 Footprints⁴, with each area required to draw up STP plans, working to a strict and rapid timetable that initially stipulated drafts for 5-year plans had to be submitted to NHS England by the end of June 2016.

As a result STPs are now arguably the instrument through which NHS England is attempting to achieve sustainability, to “reset” the finances of the NHS⁵, to tackle the deficits that have already developed at provider level, and to drive reconfiguration and transformation in a more direct way than hitherto⁶.

NHS England Chief Executive Simon Stevens has made clear he wants the new “combined authorities”⁷ to “pool sovereignty” which will make it easier to push through highly contentious cutbacks and closures which impact on specific communities. STPs are making use of delegated powers to establish Health & Care Executive committees which will help to drive through what may be unpopular decisions, and bind constituent bodies to these “collective” decisions.

As part of the STP process London has once again been divided into five sub-regional areas, North West, North Central, North East, South East and South West: each Footprint has been required to draw up 5-year plans to restore local health systems to financial balance, while at the same time delivering improvements in performance, and integrating health services with social care – which remains the responsibility of local boroughs.

³ <https://www.england.nhs.uk/wp-content/uploads/2015/12/planning-guid-16-17-20-21.pdf>

⁴ <http://www.healthcampaignstogether.com/pdf/stp-footprints-march-2016.pdf>

⁵ <https://www.theguardian.com/society/2016/jul/21/nhs-england-bosses-launch-reset-plan-tackle-deficit-financial-special-measures>

⁶ https://improvement.nhs.uk/uploads/documents/Strengthening_financial_performance_and_accountability_in_2016-17_-_Final_2.pdf

⁷ <http://www.hsj.co.uk/sectors/commissioning/exclusive-stevens-floats-combined-authorities-for-the-nhs/7004897.article>

2.1 The North West London STP

The North West London STP (v1.0) contains many of the same elements as the SaHF proposals that have been highly contentious over the last five years. The STP v1.0⁸ makes clear that the establishment of a new structure for decision-making is central to implementing the proposals:

“NHS and Local Government partners are working together to develop a joint governance structure with the intention of establishing a joint board which would oversee delivery of the North West London implementation plans for the five delivery areas with joint accountability across partners for the successful delivery and the allocation of transformation resources.” (p47)

It is important to recognise that when cutbacks and downgrading of services primarily affect two or three boroughs, “joint accountability” can mean the views of these two or three boroughs may well be superseded by the views of the others. The larger planning areas may act as a device to minimise local accountability for specific communities.

Lack of consultation

The development of the STP has left the two million residents in North West London almost completely in the dark, with no possibility to respond or influence decisions until after they have been taken. Their services, paid for through their taxes, and on which many of them depend, are being reshaped, quite possibly permanently, by a series of rapid decisions by a small, remote and unaccountable group, driven by the threats of potential financial crisis.

While being offered a minimum of (often inaccurate) information on the content, implications and direction of the developing plans, council leaders and others have been expected to sign up in support of complex and detailed documents they have had little chance to study or critique.

It is clear that once a body’s signature and logo have been appended to a document, the expectation is that each body is then jointly responsible for it – and therefore willing in effect to surrender control and accept the plans that eventually emerge. Although the NHS is of the view this is legal we believe the legal aspects of this are at least questionable and we recommend that the “Vires” or legal power to overthrow the clear intention of Parliament to introduce a form of “localism” in the Health & Social Care Act of 2012 should be firmly established.

⁸ Available as Version 1.0 at <https://www.healthiernorthwestlondon.nhs.uk/news/2016/08/05/north-west-london-sustainability-transformation-plan>. However we know that it is at least Version 40, and that most of the drafting has been done with little if any engagement with local authorities – and none with the wider public whose services face major changes if the plan is implemented.

For local authorities there is the additional incentive of “transformation fund” money that might be offered towards the future development of social care services – or the threat that this money might be withheld in the event of the borough voicing any criticism or withholding its endorsement from the “joint” policy.

Although we question this process with its implicit and explicit threats, some stakeholders take a more benign view. They see the STP as little more than an extension of the long-standing joint planning arrangements contained currently within the Health and Wellbeing Board and within SaHF governance arrangements, and are satisfied that local government’s own institutional governance arrangements preclude circumnavigation by the STP governance arrangements, which in any case, it has been suggested, are not yet agreed.

2.2 The national picture

The position in North West London is no local exception. Elsewhere it seems clear that NHS England has been urging local CCGs to keep STP plans confidential⁹, and not to commit to any public consultation on controversial issues until after plans have been vetted by NHS England. For many this process appears conspiratorial rather than democratic.

The whole process has now been called into question by a former NHS England director, Julie Simon, who was until recently the head of NHS England’s commissioning unit and director of co-commissioning. She is reported by *GPonline* as saying that the timescale imposed on health and care organisations to draw up STPs was ‘shameful’, ‘unrealistic’ and ‘an unfair ask’. The magazine reports her saying:

“Everyone will submit a plan, because they have to. But it means there is a lot of blue sky thinking and then you have a lot of lies in the system about the financial position, benefits that will be delivered – it’s just a construct, not a reality.”

She went on to argue that hastily drawn-up plans would lead to financial problems: “Ultimately it means bankruptcy in some areas.” She also expressed concern over the lack of any public involvement:

“I haven’t seen any genuine patient and public engagement yet. I think it is entirely driven by the speed that NHS England has imposed on this process which is, frankly, kind of mad. It’s mad. I think we will see a lot of catching up

⁹ <https://www.england.nhs.uk/wp-content/uploads/2016/05/stp-submission-guidance-june.pdf> states (p3) “Your submissions will therefore be work in progress, and as such we do not anticipate the requirement for formal approval from your boards and/or consultation at this early stage.” In all but seven of the 44 STP areas this has been interpreted as keeping the plans out of any public scrutiny.

¹⁰ The secrecy has been criticised as unhelpful in a comment piece by a senior *Health Service Journal* reporter: <https://www.hsj.co.uk/sectors/commissioning/the-commissioner-its-time-to-publish-the-stps/7010171.article>

on that end, but to do that right, to do a statutory consultation – it's three months. They don't have three months.”¹¹

In a recent report (September 2016), the Nuffield Trust provided a commentary on the STP process calling it “large and ambitious”, saying “the speed with which plans are being pulled together is astonishing”, that it “will require skilful implementation of a large number of complex, intra-organisational change management projects in areas that are likely to be controversial”, and “there are significant risks embodied in what needs to be done”. The Nuffield Trust goes on to question items in plans that “have proved difficult to bring about real change”, and that “Others are still best described as plausible hypotheses with little real-time evidence”, and notes that “STP leaders are acutely aware of optimism bias and even of magical thinking”.

This supports our long-held concerns on both the form and content of STP and SaHF plans and although we respect the views of stakeholders who are more optimistic we continue to counsel caution. This failure to consult would be worrying enough in conditions where the policy was sound and a genuine outcome of collaboration and engagement between the various “partners”. This is not the case, as we argue below.

¹¹ <http://www.gponline.com/shameful-pace-stp-rollout-risks-financial-meltdown-warns-former-nhs-commissioning-chief/article/1410546>

3 The assumptions behind STP proposals: how far are they supported by evidence?

This section looks at the evidence behind claims of potential financial savings to be made in North West London, as the SaHF process is overtaken and subsumed by the requirement to draw up and implement a Sustainability and Transformation Plan to balance the books of the North West London health economy¹².

The process has been accelerated in North West London by the fact that the SaHF project, extensively and expensively supported by management consultants, has developed a series of proposals, and arguments to justify them, over the past five years. This has enabled the STP simply to adopt many of these concepts, ready-made.

This section examines these arguments, after first exploring some of the financial projections outlined in the STP, with specific reference to the proposals for social care, as well as the reasserted plans to “consolidate” acute services in just five major hospitals, effectively reviving the controversial SaHF plans to downgrade and close beds and services at Ealing and Charing Cross Hospitals.

As the Mansfield Commission report pointed out, the SaHF proposals for reconfiguration and reduction in acute hospital services, to be compensated by expanded provision of care from GPs, community health services and social care, rested on assumptions which either lack evidence or run directly counter to the findings of recent research and experience.

3.1 Describing the document: the draft STP Version 1.0

The STP begins with a “Case for Change” section, much of which will be familiar to anyone who has read any of the arguments for the SaHF proposals. It insists that “Both the NHS and local government need to find ways of providing care for an ageing population and managing increasing demand with fewer resources”.

Graphics and diagrams are used to underline the public health issues that help to explain the levels of need for health care in North West London, although the level of hospital resources and the extent to which they are adequate are not discussed even to the level they were in the SaHF.

The Draft goes on to discuss the North West London Vision “helping people to be well and live well”, which clearly nobody in principle would object to. The authors of the STP Draft appear convinced that effective ways to prevent unhealthy lifestyles have been devised, which can reliably deliver significant and tangible cash savings to the NHS – beginning almost immediately. This is once again a central assertion throughout the STP, as indeed it is in NHS England’s 5-Year Forward View, and as it

¹² NHS England (2015) [NHS planning guidance 2016/17 – 2020/21](#)

was in SaHF. However such wishful thinking is not backed by any credible evidence¹³. Nevertheless it appears to be a common assumption in many if not all STPs, and has recently been criticised in a Nuffield Trust report that we referred to earlier¹⁴.

The case for change also offers a map of the North West London boroughs (p16), with an apparently random and varying list of bullet points for each, making it impossible to make any comparisons or draw any overall picture.

The financial challenge

The “Overall Financial Challenge” section paints a Domesday “Do nothing” scenario¹⁵ in which:

- the financial deficits of providers appear to rise more than threefold from £190 million in 2015-16 to £659 million in 2020-21;
- there is a fivefold increase in CCG deficits; and,
- a near ninefold increase in total NHS deficits.

¹³ Instead we have projections of how much might be saved if heavy smokers were persuaded to quit: it is claimed that if 100 smokers gave up it could save the NHS £73,000 after five years – although the STP Draft does not give the reference for this (p14). There is a much more ambitious claim (p21) that “targeted interventions to support people living healthier lives could prevent ‘lifestyle’ diseases”. The STP declares “an Optimity study” (for which no reference is supplied) claims “intervention to reduce smoking could realise savings over 5 years of £20m to £200m for North West London.” There is no explanation of what this intervention may consist of, or how much it would cost to intervene in this way with smokers across North West London. Two pages on “radically upgrading prevention and wellbeing” (p21-22) include a claim that “targeting people at risk of developing long term conditions” would “also prevent people from developing cancer” – for which the STP cite Cancer Research UK, without offering any actual reference. The fact that such interventions appear to involve offering services to people who are not ill and may well not have sought NHS support is not discussed, and neither are the practicalities of organising such a large-scale project.

¹⁴ As Nuffield Trust Chief Executive Nigel Edwards has pointed out in respect of STPs: “Prevention receives a lot of attention although there is concern in some areas about the level of disinvestment from public health by local authorities. Making the case for a return on investment is proving difficult but there are a lot of ideas building on previous work with a strong focus on obesity, exercise, alcohol and early years.

“There are no magic bullets, and while there may be opportunities to undertake more radical redesign of some services, most of the work is a detailed slog across a wide range of different activities. Some of the ideas being proposed are best described as ‘plausible hypotheses’ and there are some areas where the level of optimism about what can be achieved and the scale of effect is dubious.” <http://www.nuffieldtrust.org.uk/blog/how-are-sustainability-and-transformation-plans-coming-together>

¹⁵ Quite obviously whatever is decided on the STP, “Do nothing” is not a realistic scenario: the NHS has constantly adapted and sought efficiency savings – which according to the Health Foundation (Hospital Finances and Productivity, 2015) were averaging just 0.4% a year from 2010 to 2015. By contrast estimates by Monitor and NHS England, analysing the rate of efficiency improvement up to 2012/13, found an annual improvement of around 1.2% a year. Now the Five Year Forward View and NHS leaders are seeking to deliver a further £22bn of efficiency savings by 2020-21, which will require productivity improvements of 2-3% a year.

None of the working assumptions on which these figures are produced are explained or cited as references. Nor is there any exploration of a “Do minimum” option to make the system more efficient and work to contain demand for services.

It is not clear if the steadily rising figures are based on increasing population, projected demographic changes or other issues. This leaves no clarity on what action might be taken to stem the increase.

Delivery Areas

The Draft then takes two to three pages (in extremely small print) to cover each of five Delivery Areas. Although some of the relevant numbers have been inserted, plans for investment and “Gross savings” for some proposals are still “TBC” ie to be confirmed. The Delivery Areas are defined as:

- Radically upgrading prevention and wellbeing;
- Eliminating unwarranted variation and improving long-term care management;
- Achieving better outcomes and experiences for older people;
- Improving outcomes for children and adults with mental health needs; and,
- Ensuring we have safe, high quality, sustainable acute services.

Under this last heading (Delivery Area 5), the Draft STP (p29) once again argues for reconfiguring acute services, specifically “Consolidating acute services onto 5 sites” – thereby committing to the SaHF plan to run down services at Ealing Hospital (already well advanced) and Charing Cross, all while noting formally that this is not accepted by Ealing or Hammersmith & Fulham councils.

This is followed two lines later in the STP by text that seems to contradict it, inserted at the insistence of LB Hammersmith & Fulham and LB Ealing: this sets out criteria for any future downgrading of the two hospitals. This wording is repeated in the summary (p31), although the same section also commits to closing the paediatric unit at Ealing – another step towards dismantling the hospital in its current form.

Enablers

The following section of the draft STP discusses “Enablers” which are expected to make the Delivery projects deliverable. Sub-sections address:

- **Estates** which sets out proposals for “local hubs” equivalent to Lord Darzi’s idea of “polyclinics”. One problem with this idea is the lack of any capital for new sites and buildings, along with a lack of clarity on whether the Treasury will agree to the retention of the proceeds of any land sales.

The Estates section (p34) also re-states the contested SaHF plan for “consolidation” of services on “fewer major acute sites”, while again noting that this is not accepted by LB Ealing or LB Hammersmith & Fulham. Thus:

“Consolidate services on fewer major acute sites, delivering more comprehensive, better staffed hospitals able to provide the best 7-day quality care.

Develop hospitals that integrate primary and acute care and meet the needs of the local population.

Trusts are currently developing their site proposals, which will feed into an overall North West London request for capital from the Treasury, contained in the strategic outline case to be submitted this summer once agreed by all partners¹⁶.” (p34)

- **Workforce**, with the document offering a striking contradiction in a single sentence – a large reduction in resources combined with a ringing statement of how important the workforce is to the future NHS:

“There will be a 50% **reduction in workforce development funding** for staff in Trusts, **however workforce development and transformation including the embedding of new roles will be pivotal in supporting new ways of working and new models of care**. To meet our growing and changing population needs, training in specialist and enhanced skills (such as care of the elderly expertise) will be required.” (p35) [our emphasis]

A recent King’s Fund blog by Professor Chris Ham has questioned whether the “funding and workforce” can be found to invest in community services on the scale required, arguing that “STPs should be read with a degree of healthy scepticism”¹⁷. In our view the lack of adequate numbers of staff to deliver the proposed new models of services could well prove to be an even more difficult problem to solve than the lack of funding or capital, both of which could be addressed by a change of government policy. Without a sufficient supply of appropriately trained staff, and with the possibility of recruiting from the European Union uncertain, following the Brexit vote, this issue could be a gamestopper and one for which the STP contains no clear proposals.

- The **Digital** section is strongly centred on the notion of using digital technology, apps and other ways to get patients to look after themselves and monitor their own long-term conditions. Many of these ideas seem to come from the USA, and there is no real evidence of their applicability to the North West London context and the NHS. Indeed the STP has no coherent answer to the point it raises itself on page 37:

¹⁶ It is not clear that this could be achieved if it is opposed by LB Ealing and LB Hammersmith & Fulham.

¹⁷ <http://www.kingsfund.org.uk/blog/2016/09/stp-leaders-challenges-care-budgets>

“There is a lack digital awareness and enthusiasm generally among citizens and professionals, requiring a greater push for communication around the benefits of digital solutions and education on how best to use it.”

Primary care

Although referred to in earlier sections, the development of primary care is not addressed until page 39 of the STP, which offers figures charting the expected increase in the elderly population, along with the fact that North West London has “the lowest GP and nurse workforce supply baseline in London”. In addition, 7.4% of GPs are over 65 years old themselves: replacing them runs into “recruitment and retention challenges”.

For all the additional tasks and responsibilities GPs are expected to take on as part of the STP it is perhaps surprising to find that the additional investment in GP services is just £58 million across all eight boroughs over four years – just over 20% of the current primary care budget. This is barely more than the projected cost pressures on the NHS each year, and well short of the kind of investment that could create a full-scale transformation of services.

The limited discussion of GP services and primary care in the North West London STP Draft suggests a correspondingly limited level of engagement between those drawing up the proposals and the GPs themselves, who have often been presented as leading the CCGs and the planning process since the 2012 reforms. This is confirmed at a national level by Dr Mark Spencer of the New NHS Alliance who recently criticised STPs as not having involved GPs sufficiently in the process, showing little consideration for the issues posed for primary care, and lacking in the depth and detail of how and who will bring about change. He writes:

“ ‘GPs will do it’ would seem to be a much-repeated mantra. Really? STPs should be closely examined to determine the extent to which primary care was included. [...]

“New Models of Care require integrated provision across primary and community services [...] Where are they going to come from? Where is the leadership? Where is the local ownership? Where is the buy-in from practices and frontline clinicians? A failure to take the local workforce along this journey will result in stagnation at best and a complete collapse at worst.¹⁸”

Concluding sections of the STP look at how it will be financed, how it will be delivered, and review the risk management strategy. We look at these in turn in the next sub-sections.

¹⁸ Lancashire GP Dr Mark Spencer of the New NHS Alliance, quoted in National Health Executive magazine <http://www.nationalhealthexecutive.com/Comment/stps-a-mile-wide-and-an-inch-deep>

Financing the STP: savings targets are at the centre of the proposal

The STP proposals focus on the need to make “savings” of £1.3 billion¹⁹ by 2020. This is said to be necessary to address the gap between available resources and levels of need for services that is projected to open up by 2020 as a result of the continued under-funding of the NHS and cuts in social care.

However the cash allocations to 2020 are known and published, while the assumptions on which the increased demand has been calculated and translated into deficits for commissioners and providers are not revealed.

It is clear that if the government continues to underfund the NHS and fails to keep up with increased demographic and cost pressures, inevitably problems will emerge. This has been expressed in a most forthright way in a series of articles and public statements by Chris Hopson, Chief Executive of NHS Providers, representing NHS trusts and foundation trusts. In a letter to Dr Sarah Wollaston, Chair of the House of Commons Health Committee²⁰, he spells out grim choices that must be made if no additional funding is forthcoming. But it is a misplaced analysis that portrays the consequences as the emergence of deficits. The most likely result will be deterioration in the quality and accessibility of services, as NHS managers are obliged to prioritise the achievement of financial targets.

The reality, as will be discussed in section 4 of this report, is that the NHS is prevented from entering into large deficit positions and has had a good record locally and nationally in achieving net balanced positions, despite near identical deficits being projected when SaHF was first presented. This is not to deny pressures exist but merely to emphasise that the measures and powers lie with government and the Department of Health to manage finances.

The fundamental weakness of the STP document is that it offers almost no concrete, practical proposals on how the enormous savings targets are to be delivered. At no point do any of the proposals set out clearly who would do what, in what premises, with what funding, how many staff would be required, or how they would be managed. In this respect it is more of a wish list than a plan.

The detail as to how proposed savings will be realised is lacking. For example, NHS England Specialist Commissioning is assumed to make a saving of £188 million. The narrative blandly tells us:

“NHSE spec comm have not yet developed the ‘solution’ for closing the gap, **however it is assumed that this gap will be closed**” [our emphasis]

¹⁹ Or maybe £1.2 billion, or £1.1 billion (depending on which figures are used, from which page in which Draft of the STP or the SaHF).

²⁰ <http://www.parliament.uk/documents/commons-committees/Health/Correspondence/2016-17/NHS-providers-to-Sarah-Wollaston-05-09-16.pdf>

There is a similar evasion over the **“Balance to be addressed”**: [our emphasis]

“Remaining gap of £31m to be addressed – post 2021”

Not only do the target savings fall well short of the projected gap, but on closer inspection almost a quarter of the £1.3 billion projected gap between needs and resources is apparently to be bridged through a (very precise) saving of £303 million from the various proposals in “Delivery Areas 1-5”.²¹ See Appendix 3 for a list of these “savings” as provided on page 42 of the Draft STP V1.0.

Half of the money to bridge the gap is supposed to come from “Business as Usual savings” – in other words more efficiency savings from the acute hospital trusts, mental health, community services, and the CCGs. It could be argued that if this is “Business as Usual” then the “Do Nothing” projections should include the anticipated £570 million savings – thereby drastically reducing the gap. The effect of not including these savings in the “Do Nothing” option is to make the funding crisis appear worse. As section 4 of this report makes clear, the financial problem has never been as acute as the NHS presents it.

More importantly it is not clear whether there is clarity within the NHS between the various savings programmes. Each will only make savings if staffing can be safely reduced but how will it be possible to determine whether staff cutbacks are business as usual or fall within the delivery areas identified? This raises the risk of “double-counting” of savings and financial crises further down the road.

Plans for social care savings

From a local government perspective boroughs are understandably keen to work with the NHS on proposals that can lead to health and social care integration – both to improve resident experience and outcomes, and manage financial pressure. Clearly there are significant challenges to this but there are also areas where plans have delivered some local success. Ealing and Hammersmith and Fulham councils are supportive of proposals in Delivery Areas 1-4 but these will require investment. It has not helped that government funding for social care has been reduced, while nursing homes are under even more pressure.

The single page on Social Care Finances is identical in the Executive Summary (p9) and main text (p44), indicating that there is much more development required to put flesh on the bones of this outline, and set out clearly what measures are expected from local government, and what contribution can be made towards this from the NHS.

The argument for changes in social care follows a familiar pattern. The social care “gap” by 2020/21 is projected at £145 million: but the largest contribution towards

²¹ See Draft STP Ver 1.0, page 43.

that – £63 million – is expected to come from the boroughs using their power to increase the precept for social care in the council tax by up to 2%. This at least is a real possibility, although it requires the councils to raise the money from local residents, with no NHS contribution. It is not clear from the Draft STP how much this would actually raise, or how far this would represent a real increase on existing plans.

From there onwards the proposals become increasingly vague. We have checked with the Director of Adult Social Services and Health for Hammersmith and Fulham, Kensington and Chelsea, and Westminster, Liz Bruce, who confirmed that no additional explanatory narrative has been produced so far. Thus we find:

- £25.5 million is sought from “STP local government savings,” which are not explained or defined;
- £22 million is expected from “savings through joint commissioning” – although this is accompanied by a confusing table, in which general headings (such as “demand management²² and resilience”) appear to be allocated random targets with no explanation, and it is not clear at all which sums are supposed to add up to £22 million; and,
- In addition there is another £15 million from “savings share of health savings” (the meaning of which is unfathomable).

At the bottom of the page the STP Draft makes clear that the savings projected can only be achieved through investment of £21 million a year in 2017/18 “rising to £34 million by 2020/21”.

To complete the £145 million target, there is once again a “residual gap” of £19.5 million – which is expected to come from the additional £148 million Sustainability and Transformation Fund (p44) of which £147 million is available for investment (p45).

It appears that the savings as listed could be worth £30 million to the NHS, and £25.5 million to local government. All of these figures appear to be totals covering all eight boroughs. There is no detail on any of the projects that allows us to deduce which boroughs are supposed to deliver how much, or how. There is no way these proposals can be seen as a clear plan of action.

²² Demand management most commonly refers to ways of restricting access to services. The extent to which demand for social care for some of North West London’s most vulnerable patients could be managed downwards is not really explained, or what alternatives might be open to them and their carers if existing social care spending is indeed held down in this way. How it relates to the STP or to local government is not explained – the phrase only occurs in this one table, as indeed does “resilience”.

Risks and action to be taken

The section of the STP on risks is wholly inadequate as a summary of the risks and risk management strategy required. It fails to quantify the risks, to attribute probabilities of risk events occurring or to describe an adequate response to avoid risks and to manage risks. The elephant in the room: what would happen if after closing acute capacity more capacity was required to cope with increased demand and failures in demand management strategies is hardly discussed; the response – to develop a dashboard, monitoring progress – is of little practical value.

This section seems more an article of faith than based on any practical plans to deal with the risks identified: the risks are great and are certainly not commensurate with the actions proposed to deal with them.

To summarise

There are limited extra funds available through the STP. The only figure that appears to have any objective source is the assumption that NHS England may make available £147 million of the Sustainability and Transformation Fund to North West London by 2020/21. This figure is published by NHS England, in a list of current and eventual allocations to each of the 44 STP Footprint areas²³: this shows that North West London allocations for health and social care are in any case set to increase from £3.64 billion to £4.09 billion. The Draft STP states that the additional money – which would only be available if a satisfactory STP plan is submitted – would increase that total to £4.24 billion. However it should be remembered that the total extra available (£148 million) is to be shared among eight boroughs, eight CCGs, ten acute and specialist trusts, two mental health trusts and two community health trusts as well as the 392 GP practices.

In other words, while there is the promise of some extra money in the pot, it would only come later on, and with extensive strings attached, the most important of which is the ability of providers to eliminate deficits when faced with double the level of targeted efficiency savings that has previously been achieved (see the discussion on p33-34 of this report).

The extra money is small in proportion to the scale of changes being considered and is purely revenue to fund day to day services. There is no significant capital available for the STP process, and according to a recent Simon Stevens speech to the NHS Confederation²⁴, there is little chance of capital being available to fund any projects in the next five years.

²³ NHS England (2016) Indicative 2020/21 STP funding including transformation
<https://www.england.nhs.uk/wp-content/uploads/2016/05/STP-indic-allocs.pdf>

²⁴ <http://www.nhsconfed.org/news/2016/07/nhs-issued-seven-point-plan-to-reset-finances>

This raises serious doubts over the viability of much of the SaHF plan (which lay the foundations for the STP), which requires extensive capital investment. Thus, the successful delivery of the STP proposals would require significant capital investment by the NHS and the Treasury.

3.2 An examination of the evidence available on the assumptions of the STP

The evidence supporting the STP proposals lacks substance and is often flawed. Despite the inclusion at the end of the STP of 78 endnotes, some of which offer references to external sources, not one of these is a reference to a working example or even to experience of any of these ideas being applied in practice.

No matter how worthy the aspirations that inform the STP and SaHF proposals, there is little there to convince us that they can deliver anything like the large-scale financial savings that the plans project. We are not alone in that view. Our doubts over the evidence base for many of the new models of care outlined in the STP and our concerns that they do not offer certainty of delivering the required level of savings within the tight timescale required by NHS England appear to be shared by NHS Providers Chief Executive Chris Hopson, who told a Westminster Health Forum event that STPs are “not going to be the answer” to the NHS funding gap, and will take much longer than five years to implement. Hopson said: “There is little evidence that moving to new care models will release rapid or sufficient savings”.^{25,26}

For more detailed arguments at least seeking to justify some of the projections and the proposals themselves we need to look not at the STP itself, but at the Local Services Transformation document, drawn up for the North West London Collaboration of CCGs by Shona Fearn, principal consultant at PA Consulting²⁷.

This important document, which has only so far been made publicly available by campaigners online, unfortunately breaks down the same basic proposals as the STP into different headings. But it clearly spells out (p20-27) the widely-reported ambition to enable a reduction of over 500 beds (in fact the total is 591 beds).

According to the plans set out, this is to be done through “demand management”. The document breaks down how the target figure for bed cuts and the associated financial savings, estimated at almost £150 million, have been derived: once again all

²⁵ <http://www.gponline.com/new-care-models-promised-five-year-forward-view-may-15-years-away/article/1408975>.

²⁶ An recent impact assessment suggests the Government’s flagship diabetes prevention programme will only start saving the NHS money by around 2030. <http://www.pulsetoday.co.uk/clinical/more-clinical-areas/diabetes/gp-led-diabetes-prevention-scheme-will-start-saving-nhs-money-after-14-years/20032793.article>.

²⁷ ²⁷ Fearn S., Scott A. (2016), Paper 3.1. *NWL Local Services Transformation*, NW London Collaboration of CCGs, May 27, revealed in papers to Brent Healthwatch, June 2016. Now available at: <http://www.healthcampaignstogether.com/pdf/Paper%203-1%20NWL%20Local%20Services%20Transformation.pdf>

of the aspirations are laudable in themselves, but not necessarily achievable or affordable in the way envisaged²⁸.

The key proposals in this document and the cited evidence are summarised in Appendix 4, together with our note showing what further elements would be required to allow them to be implemented. It is also clear from our analysis in Appendix 4 that the evidence to support these hugely ambitious savings and closures of hundreds of currently busy hospital beds is flimsy, lacking or simply inappropriate.

The STP process and SaHF have also avoided taking into account a growing body of important evidence that questions their core assumptions. We turn now to look at recent evidence from independent bodies showing how the assumptions underlying the STP lack any foundation in reality.

Independent evidence on models of change

The lack of any coherent or convincing national-level plan for integrated care, to take account of the levels of need of older people and support them in their own homes was highlighted by a highly critical report from the Commons Public Accounts Committee on Adult Social Care in England in July 2014²⁹. Having taken evidence from the Department of Health and the Department for Communities and Local Government, the all-party committee noted:

“The Departments **do not know** whether the care system can become more efficient and spend less while continuing to absorb the increasing need for care. [...] Local authorities’ cost savings have been achieved by paying lower fees to providers, which has led to very low pay for the care workforce, low skill levels within the workforce, and inevitably poorer levels of service to users. [...] [our emphasis]

“We are concerned that the Departments **have not fully** addressed the long-term sustainability of the adult social care system, and that its policies to drive change (the Care Act and the Better Care Fund) are **not supported with new money** and do not acknowledge the scale of the problem. [...] The Departments acknowledge that they **do not know** how local authorities will achieve the required efficiencies, but still believe the ambitious objectives of implementing the Care Act and integrating services are achievable.” (p6) [our emphasis]

²⁸ As Siva Anandaciva of NHS Providers notes in a guest blog for the Nuffield Trust: “the early indications are that these demand management initiatives take longer than we think to deliver concrete changes; are harder to implement than we think; cost more money in the early years than we think; and are effective on a smaller scale and patient population than we think. These new ways of working also seem focused on delivering greater *value* for the same level of NHS funding, rather than aggressively taking costs out of the NHS in the same way that closing hospital beds and reducing the size of the NHS workforce do.”

<http://www.nuffieldtrust.org.uk/blog/we-might-need-magic-carpet-cross-financial-bridge>

²⁹ <http://www.publications.parliament.uk/pa/cm201415/cmselect/cmpublicacc/518/518.pdf>

“The Department of Health acknowledges that it **does not know** whether some preventative services and lower level interventions are making a difference.” (p 7) [our emphasis]

“The Department for Communities and Local Government told us that they **did not know** how local authorities would be able to maintain spending on care for adults and improve outcomes in a situation where needs were increasing but overall public funding was falling.” (p12) [our emphasis]

To complete the picture of central government ignorance and indifference to the viability of adult social care services, the Public Accounts Committee found: “The Department of Health recognised the need for greater research in these areas, and it acknowledged that the lack of evidence on what works and how changes should be implemented was a barrier to integration of health and social care.” (p13)

A further fundamental problem with implementation of the Care Act, according to the ADASS (Association of Directors of Adult Social Services) report at the end of 2014, is that according to an LGA poll of 54 councillors leading adult social services, not one was very confident that its provisions could be implemented in 2015-16, only six declared themselves “very confident”, while 46 were either “not very confident” or “not at all confident” that the funds would be there.

The Nuffield Trust has carried out further appraisals of the experiments in integrated care undertaken so far in North West London³⁰. The Trust reported:

“The costs of the programme to date are not insignificant: £24.9m over the three years 2013/14 to 2015/16, of which £7.9m was spent during the first two years on management consultancy to provide specialist expertise and support.

“Unsurprisingly in the current financial climate, the evaluation reported findings that questioned the value of such levels of investment in both management consultancy, and the programme team, as well as evidence that their support had been positively appreciated.

“It is likely that the programme will need to account more explicitly for the cost-effectiveness of its current and past spending, **especially in the absence of evidence, to date, that it has secured significant levels of service change on the ground**”. (P5 “Key Findings”) [our emphasis]

A Nuffield Trust seminar in 2015 to review the evidence on Out of Hospital services and other demand management tactics confirmed that there was some evidence that facilitating rapid discharge from hospital would enable reductions in acute capacity. But it also found that **the success of all other demand management**

³⁰ “Putting integrated care into practice: the North West London experience” Nuffield Trust, October 2015.

experiments was very limited, with experiments proving small scale, not reproducing significant impacts or significant savings³¹. [our emphasis]

A report in April 2016 from the Policy Innovation Research Unit³² concludes:

“Embedding large-scale cultural change is not a short-term process. So far, as we have seen, the extent to which the Pioneers have delivered actual changes to service patterns and service delivery is modest. We do not have the data to quantify this precisely, and would face the usual difficulties of attributing causation even if we did.” (p120)

“In addition to the inherent difficulties of large-scale transformative change, the environment in which the Pioneers are operating is getting harsher and, in many respects, increasingly unsupportive of whole systems transformation.” (p121)

Evidence on the impact of integrated care on demand for acute services

A large part of the underlying thinking that informs the SaHF and the STP relies on a greater role for social care and primary health care to reduce the workload on hospitals. An increase in out-of-hospital provision is supported by all North West London local authorities, including LB Ealing and LB Hammersmith and Fulham, but to ensure adequate levels of patient care are maintained, this must be seen to be delivered and effective before any reduction in acute services can be considered.

The more detailed breakdown in the “Local Services Transformation document “ (Paper 3.1) of how integrated care is supposed to reduce pressure on A&E and avoid almost 3,000 hospital admissions cites as “Evidence for these assertions”³³:

“Evidence on the impact of case management is promising but mixed. It is usually difficult to attribute any system changes explicitly to case management as there are often multiple factors at play, and as case management isn't a standard intervention - it can be implemented in a variety of different ways. Case management works best when it is part of a wider programme where the cumulative impact of multiple strategies can be successful in improving patient experiences and outcomes.

“In the US, when compared with a control group, older people enrolled in the PACE programme (case management) showed a 50% reduction in hospital use and were 20% less likely to be admitted to a nursing home. They did,

³¹ This has been followed up with a recent phone appointment with Nigel Edwards, Chief Executive of the Nuffield Trust, who reaffirmed these findings as representing the up to date evidence.

³² Erens B (2016), “Early evaluation of the Integrated Care and Support Pioneers Programme”, PIRU, www.piru.ac.uk/assets/files/Early_evaluation_of_IC_Pioneers_Final_Report.pdf

³³ Local Services Transformation document (p21), available: <http://www.healthcampaignstogether.com/pdf/Paper%203-1%20NWL%20Local%20Services%20Transformation.pdf>

however, use more ambulatory care services. Evaluations of Guided Care have found similar results.

“Evercare was trialled in the UK after success in the US, but unfortunately only showed negligible results. In Wales, an evaluation of case management showed a reduction in non-elective admissions of 9.1% compared to a control group (and preintervention years) and a reduction in length of stay of 10.41%. Despite mixed evidence on the impact of case management on capacity in the system, there is strong evidence that case management results in an increase in patient satisfaction.”

In our view such reliance on US evidence is flawed. It is not surprising that trials of US-developed systems such as Evercare showed negligible results. The US health care system spends close to twice the UK share of GDP on health care, and arguably suffers from over-diagnosis and excessive interventionism in contrast to the NHS; it spends 50% less on social care and much less on primary care, leading to stories of dumping of sick patients on the street after early discharge from hospital when funding runs out. So of course it may be possible to make the US system appear to work better by spending a little more on social care, especially where – unlike the English situation – the system is run as an integrated whole. The same increased efficiency from an integrated system can also be seen in the better-resourced systems run through local government in Scandinavia.

In England however the financial situation for social care remains extremely challenging, with planned savings for adult social care in 2016/17 of £941 million (7% of net adult social care budgets). Funding for public provision for adult social care fell by over 10% in cash terms between 2010/11 and 2014/15 from £14.9 billion to £13.3 billion; in real terms it fell by an average of 2.2% per year between 2009/10 and 2014/15, leading to a 25% reduction in the number of people receiving publicly-funded social care. This is leading to increases in bed days lost caused by delayed discharges because social care was not available (see page 38 of this report).

A survey of all English social service departments by the Association of Directors of Adult Social Services found that fewer savings are proportionately being made from efficiencies and more from reducing frontline services. There are also now next to no further efficiencies to be made from squeezing provider fees paid, or raising income from fees and charges to customers.

In cash terms, where a breakdown was specified, Directors said that 51% of the identified cuts will directly affect services for older people and 31% will affect people

with a learning disability; 18% of the cut will be to personal budgets, meaning reduced levels of care for those receiving it and care for fewer people overall.³⁴

Assumptions behind cuts in hospital services

All of the published plans for downsizing and downgrading hospitals and reconfiguration of acute services in London – and elsewhere in England – rest on the same largely unproven assumptions that large numbers of seriously ill people can be kept out of hospital by services in the community or from primary care – and that such provision can save money compared to existing services.

In South East London the once-threatened Lewisham Hospital has been merged with Queen Elizabeth Hospital in Greenwich, formerly a component of the now-dismembered South London Healthcare Trust. This put the deeply flawed plans of the Trust Special Administrator – who initially called for the closure of most acute services at Lewisham as part of a costly “rescue” package for South London Healthcare – to the test. The failure was spectacular. Dr Tony O’Sullivan, a consultant paediatrician at Lewisham & Greenwich Trust told the People’s Inquiry of a CQC inspection in February 2014:

“One of the major CQC findings was that the Queen Elizabeth emergency department’s acute pathway was not fit for purpose: and the subsidiary finding was that the QE had far too few beds. I think they quoted 75 or 80 beds were needed in order to unjam the log jam of patients pouring into the A&E not being able to be admitted to wards, backing up into the ambulances in the car park, and then fines being imposed for those.”

“So, far from the TSA proposal that 450 beds could be lost from the local South East London health economy, the CQC said that as of that moment the local health economy didn’t have enough beds.”³⁵

The evidence for cost savings from developing GP and community out-of-hospital initiatives is also very limited. Research published in 2012³⁶ surveying all out-of-hospital initiatives failed to demonstrate savings.

Similar findings were highlighted by the Commission on Hospital Care for Frail Older People, set up by the *Health Service Journal* and conducted by a group of experts led by the respected University Hospital Birmingham Chief Executive Dame Julie Moore. After surveying the evidence, the Commission concluded it was a “myth” that measures such as the “integration” of health and social care, and improved services in the community would reduce the need for hospitals or bring cash savings for the

³⁴ ADASS (2016) Budget survey 2016, Association of Directors of Adult Social Services, available <https://www.adass.org.uk/adass-budget-survey-2016-full-report>

³⁵ <http://www.peoplesinquiry.org/pdf/Tony%20Sullivan%2011%20Dec%20TS%20draft.pdf>

³⁶ Purdy S et al. (2012). Interventions to reduce unplanned hospital admission: a series of systematic reviews: final report. Bristol: University of Bristol, available <http://www.bristol.ac.uk/media-library/sites/primaryhealthcare/migrated/documents/unplannedadmissions.pdf>

hospital sector. While better community services were desirable, the report argues that this would only delay rather than avoid the need for hospital stays:

“The commonly made assertion that better community and social care will lead to less need for acute hospital beds is probably wrong.”³⁷

Candace Imison’s report from the King’s Fund makes similar points:

“There have been very few studies to assess the impact of centralising A&E services. The limited evidence available suggests that if services are centralised, there are risks to the quality of care where the centralised service does not have the necessary A&E capacity and acute medical support for the additional workload. A proportion of A&E attenders can safely be seen in community settings, but there is little evidence that developing these services in addition to A&E will reduce demand.”³⁸

Her report concludes:

“The reconfiguration of clinical services represents a significant organisational distraction and carries with it both clinical and financial risk. Yet those who are taking forward major clinical service reconfiguration do so in the absence of a clear evidence base or robust methodology with which to plan and make judgements about service change.”

Another Nuffield Trust report, designed to show that better integration of social care and hospital care would reduce demand for acute care, concluded:

“Our research did not detect lower use of hospitals for the British Red Cross group compared with a matched control group over the longer term. In fact, the evidence suggested that emergency admissions may have been slightly higher in the British Red Cross group.

“The results reinforce the challenges around reducing rates of emergency hospital admission. This is a common concern across health services, and one that has proved difficult to convincingly address. In the absence of well-accepted, evidence-based solutions to reducing emergency admissions, there is a need to subject promising new interventions and models of service provision of this type to thorough evaluation.”³⁹

³⁷ Barnes, S. (2014) Integration will not save money, HSJ commission concludes, *Health Service Journal*, 19 November, 2014 available <http://www.hsj.co.uk/news/acute-care/integration-will-not-save-money-hsj-commission-concludes/5076808.article?blocktitle=News&contentID=8805#.VG41vo1ybxk>

³⁸ Imison C, Sonola L, Honeyman M, Ross S (2014) *The reconfiguration of clinical services What is the evidence?* http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_summary/Reconfiguration-of-clinical-services-kings-fund-nov-2014.pdf

³⁹ Georghiou T., Steventon A (2014) *Effect of the British Red Cross ‘Support at Home’ service on hospital utilisation* http://www.nuffieldtrust.org.uk/sites/files/nuffield/publication/red_cross_research_report_final.pdf

A 2012 analytical paper in the *BMJ* by Professor Martin Roland and Gary Abel⁴⁰ went further, to question the received wisdom that hospital admissions could be reduced and costs cut by improving primary care interventions, especially aimed at those of high risk (whose chronic health problems often lead to them being pejoratively dismissed by NHS bureaucrats as “frequent flyers”).

Among the bevy of myths dispelled by this study is the illusion that high-risk patients account for most admissions, or that case management of such patients could save money:

“most admissions come from low risk patients, and the greatest effect on admissions will be made by reducing risk factors in the whole population. [...]

[...] even with the high risk group, the numbers start to cause a problem for any form of case management intervention – 5% of an average general practitioner’s list is 85 patients. To manage this caseload would require 1 to 1.5 case managers per GP. This would require a huge investment of NHS resources in an intervention for which there is no strong evidence that it reduces emergency admissions.”

Roland also points out the difficulties of assessing the effectiveness of those interventions that have taken place because of fluctuations in numbers of admissions even among those at high risk. Some of the interventions that have been piloted, providing case management for high-risk groups of patients, have proved not only ineffective, but to result in increased numbers of emergency admissions – possibly because the increased level of care resulted in additional problems being identified. Indeed three trials of interventions have had to be abandoned because of increased deaths among the patients involved. Roland warns that an additional unintended negative consequence could result from GPs feeling under “excessive” pressure not to refer sick patients to hospital. Roland criticises the failure of many plans aimed at reducing hospital admissions to consider the role of secondary care, and improved collaboration between GPs and hospital colleagues.

⁴⁰ Roland, M. Abel, G. (2012) Reducing emergency admissions: are we on the right track? *BMJ* 2012;345:e6017, 16 September, <http://www.bmj.com/content/345/bmj.e6017>

Subsequent research involving Roland raised even more questions over the value of case management as a means to deliver cost savings or reduce emergency admissions:

“Evidence shows that case management improves patient satisfaction with care, promoting high levels of professional satisfaction and reducing caregiver strain, but its impact on reducing future emergency admissions has not been demonstrated in systematic reviews of randomised controlled trials (RCTs). [...] Current evidence does not support case management as an effective intervention for reducing emergency admissions, despite the effort it requires from the primary care team”.⁴¹

Hope over experience: experiments with Accountable Care Partnerships

The STP in North West London also sets the goal of establishing ‘Accountable Care Partnerships’ across the whole of North West London by 2020/21 as one of the key ways to deliver the new system⁴². Accountable Care Organisations, which Simon Stevens agrees are an American-style system,⁴³ are proposed in the 5-Year Forward View.

In an ACO the provider organisation receives a fixed budget based on the population to be covered, and takes on the risk of being able to deliver the services and retain a surplus. If the costs overrun, the provider takes the hit.

The circumstances however are different in the NHS. In the US the source of funding is through insurance companies rather than the public money of the NHS, and of course many of the providers are in the private sector: but here in the UK the prospect of private health corporations coming in to take up ACO contracts would be controversial.

Establishing an ACO in a locality would also effectively outsource the commissioning role of the CCG. An ACO is unlikely to work without substantial investment in community-based health care, enhanced primary care and the establishment of social care to minimise demand for hospital care and support people living at home, requiring additional investment. And in England, even with an ACO in place continued bureaucracy would also be needed to “monitor” the service: it is not a cheap option if done properly.

Moreover it appears to be little understood that the effect of ACOs would be to overturn the intent of the legislation enshrined in NHS law since 1990: that of the purchaser-provider split with its role for competition to improve performance and

⁴¹ Wallace E., Smith S.M., Fahey T., Roland M. (2016) *Reducing emergency admissions through community based interventions*, British Medical Journal, January 28, *BMJ* 2016;352:h6817

⁴² See Draft STP Ver 1.0, pages 10,11, 26, 47, 48.

⁴³ Stevens will be familiar with the concept from his years in the US as a senior executive of the leading health insurer, UnitedHealth.

remove perverse financial incentives for providers not to provide health care. This is also likely to generate controversy and potential legal challenges may emerge.

Both of Stevens' main suggestions of new models of health care – Multi-Specialty Community Providers, to be led by GPs, and Primary and Acute Care Systems to be led by acute trusts – could potentially be delivered as ACOs.

The STP process has not replaced, but been added on to the machinery of NHS administration established by the 2012 Health & Social Care Act, which entrenched the divide between commissioners and providers, and still obliges CCGs to put an ever-increasing range of services out to tender, or open up to “any qualified provider”.

Any attempt to roll out ACOs in the NHS should also take account of some of the problems they are causing in the USA, where providers are effectively required to operate as insurers, and many are finding the profits non-existent, and going out of business.

The NHS – unless it is substantially and very visibly reorganised – offers only limited options to exclude high risk, and potentially costly patients. This makes capitation-based funding an unattractive gamble for private insurers, who would end up with any deficit.

Attempts to launch ACOs in England have been limited so far, although fresh moves to open up contracts and the lure of a share of the £1.8 billion “Transformation Fund” no doubt means more will be tempted.

Some local ACOs are already happening, with the most high-profile one in Northumbria, where NHS England has provided £8.3 million over two years to kick-start an ACO covering 320,000 people and led by Northumbria Healthcare Trust, starting in April 2017.

Recently Dudley CCG has been first to propose a new type of contract, announcing it will be opening up a competitive tendering process for an ambitious 10-15 year £240 million per year contract for a ‘Multispecialty Community Provider’ to take on an ACO role, as advocated by NHS England. The contracting process means that it could be an early test of the enthusiasm of the private sector to compete for this large but risky element of the NHS budget.

3.3 Summary

This section has set out an extended analysis of the STP proposals as published so far, the assumptions behind them and the evidence that supports them. It makes clear that the STP is based on the plans and assumptions drawn up by the SaHF programme, which have already been examined by the independent Mansfield Commission.

Developing drafts of the STP have not been adequately shared with the boroughs or with the wider public. The confidential process of development has also meant that council leaders have been pressed to sign incomplete documents without the opportunity for proper examination or scrutiny, even though it is now clear that the full document includes obligations on each borough.

Despite ostensible stress on service improvement and integration, the main focus of the STP, even more so than the SaHF, is on financial savings. However the assumptions on which the financial effects of changes are calculated is not transparent, making full scrutiny of the proposals impossible.

The section of the STP setting out proposals for social care remains incomplete and lacks any clear explanation of the details of the general proposals. It is clear that the additional funding that might be available to boroughs as part of the STP process is very limited.

As noted above, the full implications of the STP proposals are only set out in a separate document,⁴⁴ the Local Services Transformation document. This sets out proposals mapped against projected financial savings and reductions in beds required, together with the evidence that has been used. We have summarised these in tabular form in Appendix 4 with notes identifying key missing elements and weaknesses in the evidence. It is clear from this breakdown that the planned savings will be largely achieved by closing 500-600 beds in Ealing and Charing Cross.

We have also provided an update on and reminder of the substantial independent evidence now published which questions the underpinning assumptions and financial projections of SaHF and the STP. This section concludes with a brief critique of the STP proposals to establish “Accountable Care Partnerships”, following a US model that is proving to be problematic even in the US.

In summary, there is little if any evidence available to support the proposals advanced in the SaHF and now the wider STP in North West London, but there exists a large body of evidence that would raise serious questions about whether it can deliver the promised benefits. If the objective is to transform and integrate services, it is clear that capital is required, along with a process that establishes and tests out the alternative provision of services before busy acute beds are closed and hospitals downgraded. In other words a serious proposal along these lines would require investment up front to cover double-running costs and the eventual phased closure of redundant beds: any savings could only be generated in the long term, not immediately.

⁴⁴ Paper 3.1. NWL Local Services Transformation (May 27 2016), a 27-page report produced by management consultants for the North West London Collaboration of CCGs, and now available at: <http://www.healthcampaignstogether.com/pdf/Paper%203-1%20NWL%20Local%20Services%20Transformation.pdf>.

4 Current financial position in North West London: no basis for panic measures

This section sets out the NHS financial position in North West London, and places it in a national context. It goes on to examine the finances behind the STP before drawing some brief conclusions.

4.1 NHS finances in North West London

The context for assessing the current financial position in the NHS as a whole is well summarised by the Health Foundation⁴⁵ as one of reduced funding, high demand for services and reductions of 25% in the people receiving social care.

In this context of financial stringency we assess the recently reported position within North West London. Table 4.1 shows the total financial position for North West London NHS budgets for 2015-16. It is based on our analysis of year-end accounts, where possible, or final year figures as reported in year-end financial reports to Boards. The figures are however not without ambiguity and require some commentary. For example technical adjustments have been made to balance sheets at Imperial College Healthcare that affect the published year-end deficit in the annual accounts but will not affect the operating deficit. This has been excluded. Other non-recurring factors that may have affected year-end performance will have been incorporated in year-end figures.

⁴⁵ “The NHS in England is currently halfway through the most austere decade in its history. In the 2015 comprehensive spending review, the government committed to additional real terms (adjusted for inflation) funding for health of £4.5bn by 2020/21. This means that NHS funding in England will have risen by an average of 0.9% per year in real terms between 2009/10 and 2020/21. This is well below the average real terms increase of 3.7% per year since its creation in 1948, and a far cry from an average increase of 8.6% per year between 2001/02 and 2004/05. It will be the lowest ever rate of funding growth over a 10-year period.

“Pressures on NHS providers grow by around 4% every year, due to a growing and aging population as well as rising costs, expectations and prevalence of long-term conditions. At the levels of funding provided, the NHS is struggling to meet these demands and cost pressures.

“Funding for public provision for adult social care fell in real terms by an average of 2.2% per year between 2009/10 and 2014/15, leading to a 25% reduction in the number of people receiving publicly funded social care. It is hard to identify the additional burden this has placed on NHS services, but due to the strong interdependency between health and social care services, it is likely to have had an impact on the demand for, and cost of providing services.

“Following the comprehensive spending review in 2015, public funding for adult social care is planned to rise by an average of 0.6% per year in real terms between 2015/16 and 2019/20. This increase in funding is welcome, but still below the projected rate of increase for demand pressures of 4% per year. It is therefore likely that the level of unmet need for adult social care will rise in the near future.” Lafond S., Charlesworth A., Roberts A. (2016) *A perfect storm: an impossible climate for NHS providers' finances? An analysis of NHS finances and factors associated with financial performance*, Health Foundation 2016.

However the figures are revealing. All CCGs are showing a surplus, with a net surplus of over £88 million. There is also a significant underspend figure for NHS London locally commissioned expenditure (£26.5 million) – as there is for NHS England as a whole (£599 million).

The commissioners' surpluses act to offset deficits in North West London providers⁴⁶. The recently reported aggregate Department of Health Annual Accounts 2015/16 showed a relatively trivial £0.1 billion deficit on a £110 billion-plus budget, and thus reflected a well-managed outturn.

Table 4.1: North West London NHS financial outturn, 2015/16

Providers	Year-end outturn 2013/14 (£m)	Year-end outturn 2014/15 (£m)	Year-end outturn 2015/16 (£m)
Imperial College Healthcare	15.1	15.4	-30
London North West Healthcare		-24.9	-88.3
North West London Hospitals	-23.3	-21.9	
Ealing	17	-9	
West Middlesex	-5	-7.9	
Chelsea and Westminster Hospital	6.2	2.4	-8.9
Hillingdon Hospital	-0.7	-1.6	-6
Central & North West London	4.6	-2.3	2.9
West London Mental Health	-15.4	9.4	5
Total provider financial position	-1.5	-40.4	-125.2
CCGs			
Hillingdon	-5	3.3	7.5
Ealing	6.9	10.5	7.6
Harrow	-10	0.1	2
Hounslow	1.9	6.9	6.3
Hammersmith & Fulham	12.3	13.2	9.2
Brent	33.6	32.6	21.9
Central London	16.9	13.4	8.6
West London	29.6	31.5	25.7
Total CCG financial position	86.2	111.5	88.8
Net North West London position	84.7	71.1	-36
NHS London (locally commissioned expenditure)	189	N/a	26.5
NHS England surplus	790	372	538.7

Notes: 1 Figures extracted from Board reports submitted by Trusts and CCGs or published annual accounts; 2 The reporting of figures for London North West Hospitals comprises the former North West London Hospital trust and Ealing Hospital trust, which merged mid-way through 2014-15; 3 West Middlesex and Chelsea and Westminster hospital merger for 2015-16; 4 Technical adjustments to figures not impinging on future performance are excluded eg Imperial operating deficit was £30.1m but was £47.9m after adjustment for change in property values; 5. This overall position differs slightly from the 2015/16 position cited in the STP (see p19). It is not possible to reconcile the differences owing to the lack of detail provided in the STP but it is likely these are caused by the differing treatment of non-recurring factors or the inclusion of the performance of nationally important specialist trusts not previously included in SaHF planning.

⁴⁶ Consolidated 2015/16 Year-end Financial Report: Paul Bauman NHS England May 2016.

Of course it is true that figures summarised for the past three years demonstrate deterioration in the net financial position: but they also show good overall levels of control. The problems are concentrated within the acute trusts, London North West Healthcare (LNWH) and Imperial Healthcare. We have attempted to meet with both trusts to explore further the reasons for this deterioration although to date neither trust has been available. It is of concern that both organisations have already begun implementation of the SaHF programme before a full Business Case has been completed.

The SaHF plan declares the aim of making improvements to quality of services and on the sustainability of finances: however the immediate results are deterioration in both. Further details will be available in section 5 of this report (on System Performance). As far as LNWH is concerned, an examination of the M12 finance report for LNWH⁴⁷ and the Confidential Report⁴⁸ into the closure of A&E services in North West London suggest the following factors may be playing a part:

- A&E activity was 14% higher than planned but was not fully funded; and,
- Fines and penalties due to failure to meet contract KPIs and metrics, and relevant block / threshold deductions, totalled £25.1 million, of which £5.6 million was reinvested as part of the year-end settlement with local commissioners.

Planned savings from the merger with Ealing were not fully achieved, because additional capacity had to be commissioned to meet demand and a shortage of beds.

Despite this, the overall position is at odds with alarmist reports suggesting runaway “deficits” within the NHS and the implication that urgent action, bypassing normal governance arrangements, must be taken to correct this. The deficits are also at odds with projections of a £1 billion deficit in North West London that were made as the SaHF programme was put together five years ago.

NHS England has responded to renewed claims of financial problems emerging within providers in 2016/17:

“NHS England will be taking action to address its very marginal forecast overspend (less than 0.1% of allocation) as at month three, so that despite the significant risks, we achieve a balanced year end position. We are working with NHS Improvement to stabilise finances this year and to kick-start the wider changes needed to improve services, as set out in last week’s financial ‘reset’ document”.

⁴⁷ LNWH Integrated Performance and Finance Report: Month 12 - March 2016 Version: Final

⁴⁸ *Retrospective review of impact in NWL of A&E changes at CMH and HH*, NHS England 20th March 2015, <https://www.england.nhs.uk/london/wp-content/uploads/sites/8/2015/11/ae-diagnostic.pdf>

This appears to suggest there was no need for undue concern. However that is not the attitude that has been shaping NHS England initiatives to reorganise the NHS into 44 local “footprint” areas, and impose much tighter, centralised discipline over budgets. The NHS is being told to prioritise financial control to achieve unprecedented levels of increased efficiency. If this is not achieved there will be no money for “Transformation”.

In July 2016 the NHS announced a Financial “Reset”⁴⁹, outlining how NHS finances will be brought back into balance nationally. The main components of the plan are:

1. to distribute £1.8 billion of additional resources;
2. to set financial control totals for every provider and CCG;
3. rigorous implementation of tighter agency staff controls;
4. accelerated deployment of RightCare (“a new programme promoting Value”) to all health economies during 2016/17;
5. national action to implement Lord Carter’s recommendations on operational efficiency;
6. creation of efficiency improvement and intervention capability within NHS Improvement; and
7. transformational efficiency programmes being developed through STPs.

The Financial “Reset” (p3-4) makes it clear that provider trusts and CCGs will be expected to live within the public resources made available by Government in 2016/17. NHS Improvement has set a target to cut the combined provider deficit to around £250 million in 2016/17 and to be in recurring balance (excluding one-off factors) by the commencement of 2017/18. A two-year NHS planning and contracting round for 2017/18 and 2018/19 has been launched, to be completed by December 2016, and linked to agreed STPs. Any commitments for future years are subject to this planning round being completed.

A recent report by Sally Gainsbury for the Nuffield Trust “Feeling the Crunch: NHS finances” (August 2016) summarises the extent of the challenge being placed on services. This report notes that what is required is:

“level of recurrent, sustained efficiency saving [that] **has never been achieved to date and would still require funds to be taken from the Sustainability and Transformation Fund (S&TF) to balance provider deficits in the meantime.**” [our emphasis]

⁴⁹ “Strengthening Financial Performance & Accountability in 2016/17” published jointly by NHS England and NHS Improvement dated 21 July 2016

“The S&TF can only be spent once. **If most of the funds are used to plug the deficit, there will be little money for the transformative service change** that is required to modernise and reshape NHS services for long-term financial sustainability.” (p4) [our emphasis]

Put plainly, Gainsbury reports that NHS provider income has been reduced by the simple expedient of reducing tariffs by 4%. Unless providers make savings of this order there will be no money for investment in “Service Transformation”.

But she goes on to say:

“The NHS is relying on service change and new models of care to curb the growth in activity and treat patients more cheaply. This is highly unlikely without access to the S&TF for transformation. As such the two tasks of **huge provider efficiencies and successful commissioner investment in reducing demand growth** need to happen in a **timely and coordinated fashion.**”

“**If commissioners fail** in their attempts **to reduce the rate at which demand is growing**, or if additional funding cannot be secured, the **NHS will face some unpalatable decisions in order to curb the growth in activity** and bring the books into balance. These could include extending waiting times for treatment, raising the threshold at which patients become eligible for treatment, cutting some services altogether, or closing whole sites or hospitals”. (p4) [our emphasis]

The Financial “Reset” and Gainsbury’s recent report only confirm our view that, for all the lip service to “Transformational Efficiency”, the heavy lifting to bring NHS finances into balance by 2017/18 will be achieved by the simple expedients of providing extra resources, squeezing down on prices paid to suppliers and the tariff paid to acute sector providers, and establishing tighter staffing controls.

This is the problem frankly admitted by Sir Richard Sykes, former Chair of NHS London and now chair of Imperial College Healthcare, which runs Charing Cross Hospital and is one of the key organisations involved in drawing up the STP.

He was filmed speaking to campaigners ahead of the trust's annual meeting on 14 September 2016, when he said:

"The NHS is suffering today very badly. If you go back to 1948, it's gone through these periods when it's been cash-strapped. Today it's really cash-strapped...

The capacity just isn't there at the moment. The A&E is a big problem. Waiting times are a big problem. Referral to treatment is a problem...

This is happening not just here but throughout the country. The finances are very, very strained...

The problem is funding. There is no money. I can't get it."⁵⁰

We are not against experiments in new practices and working methods, or against making changes, but before this is attempted we want to see not only coherent plans but also proof that these will be both clinically effective and represent value for money. The jury is still out on many such experiments.

Our assessment therefore of the current financial situation is that it is more accurate to say that the NHS overall is prevented from entering into financial deficits by law, and action would be taken and is taken to manage emerging financial problems so that overall control of finances remains in place.

The latest national figures demonstrate that this action has so far been successful. Within the overall figure there is scope for flexibility so that hospital providers with particular problems eg Imperial College Healthcare and London North West Hospitals, as was the case in 2015/16 and will be the case in 2016/17, are granted more time and resources to rebalance.

An unprecedented funding squeeze

This is not to deny that the NHS has encountered a second five years of reduced funding at a level unprecedented in its history. In an earlier report (Boyle and Steer 2015) we argued that this should not be used as a pretext for expensive, risky and speculative "transformation" experiments. In fact our recommendation was for "Do Minimum" options to be further developed as more likely to deliver sustainability and quality improvements in the short to medium term. In the longer term a reappraisal of the long-term needs of London to provide health care to a rapidly expanding population would require additional capacity, and would not support a shrinking of either the estate, or a reduction in the ability to meet pressures in A&E and in GP surgeries.

The failure to appraise a 'Do Minimum' option is in breach of the guidance in the Treasury's Green Book (HM Treasury 2003); without a 'Do Minimum' option, it

⁵⁰ <http://www.londonnewsonline.co.uk/6011/health-chiefs-fire-cuts-closures-plan/> and the filmed extracts are available at: https://www.youtube.com/watch?v=IhYva5_0APU

would be unlikely the SaHF proposals would gain Treasury approval. Treasury guidance specifically states that a 'Do Minimum' acts as a check against interventionist options. It is not the same as 'do nothing' or the status quo. It requires a conscientious examination of how the investment objectives (in this case quality improvements and financial savings) could be achieved with the minimum of capital investment.

Instead the objective of SaHF, and now the STP, seems to have been to pursue reconfiguration as the answer: a preconceived solution leading to an options appraisal that merely chooses between a limited number of ways of doing the same thing, ie reducing the number of acute hospital sites. In our view there is no way to escape the requirement for a 'Do Minimum' option if the business case is to proceed. The sooner this is addressed the sooner the project can advance and local stakeholders can see the real options.

We believe this stance is vindicated by the independent evaluation reports that have emerged of the Pioneer, Integration and other OOH initiatives taking place in North West London and around the country (see section 3); and the latest population projections (see section 5) showing ONS population projections running at almost double that planned for by SaHF. The limited referencing of sources in the STP makes it difficult to judge if more up to date figures have been used in the new plans: see Appendix 2.

Moreover, we are concerned that the timeframe of the STP is purely to 2020/21 whereas the implications of reducing hospital beds and A&E capacity will extend beyond that date⁵¹. The most recent projections by the GLA in 2016 suggest an average population growth in North West London between 2011 and 2041 of 25-26%⁵² depending on which migration projections are used. This only adds to our fears that the STP is not based on a rigorous analysis of the future needs of the population.

In addition the continued financial pressures have limited the availability of capital: the latest indications are that even if approved there would be at best extremely limited availability of capital to fund the SaHF programme until after 2021, with further news suggesting tight Treasury regulation of even small capital sums, as we complete this report⁵³.

It is classically short-term thinking that is driving spending cuts and capacity reductions when it is universally recognised that population and clinical demands are rising significantly. It may be possible to take a different view of the speed of the

⁵¹ The GLA plan for London for example extends to 2041.

⁵² see <http://data.london.gov.uk/dataset/2015-round-population-projections>

⁵³ <https://www.hsj.co.uk/topics/finance-and-efficiency/exclusive-treasury-could-tighten-grip-on-nhs-capital-spending/7010899.article?blocktitle=Finance-and-efficiency&contentID=20097>

upward trend in demand but as it stands the STP is currently only focussed on balancing the books over two years. This is incompatible with clinical capacity planning which should be focussed on the long-term needs of the population.

Crucial to the planning assumptions justifying closures of acute facilities in North West London were the assumptions that improvements in primary care and out-of-hospital care would act to prevent and reduce demand for acute services.

In practice there seem to be ongoing and persistent problems with the programme. Only four of the 27 Primary care hubs planned are operational, with 19 not even yet having presented their business cases. There is no systematic reporting to indicate if there has been any success at all in achieving significant North West London-wide reductions in demand for NHS care or financial savings attributable to the SaHF programme. The reports to JHOSC are inadequate as they do not allow for proper scrutiny or to ascertain whether plans are on track.

In order to be assured that plans are sound there needs to be much more engagement, involvement and scrutiny of NHS plans, an ability to monitor progress against plans, and more accountability to stakeholders than the NHS has been able to provide hitherto.

Moreover, the early closure of A&E services at Central Middlesex and Hammersmith hospitals has led to a continued reduction in standards of service in North West London (see section 5 below).

The Confidential Review by NHS England of the A&E closures in North West London in 2014 found:

- the change in activity flows associated with the CMH/HH changes were largely as expected, **but underlying increases in local demand were not planned for by Trusts or the SAHF programme;** [our emphasis]
- the increase in admissions at Northwick Park (NPH) and The Hillingdon Hospital (THH) **led to capacity constraints;** *and,* [our emphasis]
- admissions at THH and NPH increasing by 8 and 16 per day vs a plan of 0 and 12 respectively⁵⁴.

These are significant findings and suggest the need for more careful scrutiny of planning assumptions before consent can be given to future major changes in NHS services for local people. An early sight of plans, assumptions and detailed modelling would help that process; something that until now has not been forthcoming.

⁵⁴ Retrospective review of impact in NWL of A&E changes at CMH and HH NHS England 20th March 2015: p 4

4.2 The STP: ambitious or foolhardy

The STP in North West London is extremely ambitious. Myriad business plans are (still) being developed: for SaHF; for various hospital provider sites; for 16 Primary care centres. The draft STP makes clear (p46) that over £2.2 billion of capital will be required to deliver the plans in North West London.

As Table 4.2 shows, the STP assumes that £959.2 million will be available from land receipts and disposals, £330 million of which is before 2020/21. This is netted off to show some consistency with previously reported figures of the cost of the SaHF programme of £1.2 billion to £1.3 billion, but the total investment requirement is about £2.2 billion.

Table 4.2: Capital implications of STP

	Outer NWL	Inner NWL	OOH	Additional Capital	Total
	£m	£m	£m	£m	£m
Pre 2020/21					
Gross Capital Expenditure	75.2	247.4	219.2	206.1	747.9
Disposals and Contingency		-330			-330
Total Net Capital requirements	75.2	-82.6	219.2	206.1	417.9
Post 2020/21					
Gross Capital Expenditure	252.5	1,116	4.5	97.1	1,470.1
Disposals and Contingency	29	-681.2	23		-629.2
Total Net Capital requirements	281.5	434.8	27.5	97.1	840.9
Total Gross Capital Expenditure	327.7	1,363.4	223.7	303.2	2,218
Total Disposals and Contingency	29	-1,011.2	23		-959.2
Total Net Capital requirements	356.7	352.2	246.7	303.2	1,258.8

This is extracted from Table 1 of the STP (p46). Projected costs, land sale receipts and affordability, particularly in the second five-year period, are indicative and subject to detailed business case processes.

It is unwise to assume an investment of over £2.2 billion of capital, £750 million before 2020/21, will be provided in North West London at a time when the NHS is starved of capital and seeking to earmark funds from sales to help meet revenue targets. And all this on the basis of flimsy and, so far, failed plans to reduce and control patient demand for services.

There are two clear risks. The Treasury could:

- earmark the land receipts to use to bridge past and anticipated revenue pressures; and,
- hold the local NHS strictly to account to deliver half-baked promises on delivery that it is in no position to fulfil.

Either way the plan represents a higher risk to the future delivery of local services than more modest proposals based on a so far unidentified “Do Minimum” option.

4.3 Summary

The NHS is in a position of prolonged relative financial pressure compared to the past. Recent headlines suggest this is causing problems across the country. The NHS in North West London is not exempt from those pressures but despite a slight deterioration recently its record of achieving targets and its maintenance of overall financial control is a good one.

In addition reductions in social care funding are feeding through to the NHS; the recent report in the DH Annual accounts for 2015/16 drew attention to the 11.4% increase in bed days lost caused by delayed discharges because social care was not available.

The financial situation certainly does not justify a high-risk strategy attempting an unprecedented “transformation”, including reductions of almost 600 beds and further cuts in A&E capacity, at a time of increasing population, and increased demand, some of which is due to government cuts in social care. Certainly bed reductions should not be attempted before there is more concrete evidence that demand is reducing and capacity is not required.

This, coupled with a continued inability to present an agreed Business Case providing proof that SaHF plans are affordable, economic and deliverable, reinforces our previous view that more affordable “Do Minimum” options should be developed.

Dr Anne Rainsberry, Regional Director (London) NHS England, provided a timetable to the Mansfield Commission in September 2015 claiming that a Business Case would be available in early 2016. This had still not appeared as of the end of September.

One of the criteria used in assessing the Business Case will be the level of engagement and commitment of stakeholders. It will be very difficult to demonstrate these have been established if the business case and its supporting evidence have not been shared.

Moreover, the SOC is still just the first stage of the formal planning process and even if agreed would require Outline Business Case (OBC) and Full Business Case (FBC) approval. Given further pressure on capital budgets in the NHS, with land receipts being earmarked nationally to deal with revenue pressures it would be very unwise to presume full approval will be given.

Evidence summarised in Appendix 1 on various aspects of the SaHF programme and its progress supports this view.

5 System performance in North West London

An earlier report (Boyle and Steer 2015) showed that access to care was not a fundamental consideration in the decisions to close acute hospitals taken by the SaHF team. We presented evidence showing the detrimental effect that closures of Central Middlesex and Hammersmith A&E departments had on the quality of services across North West London.

Once SaHF decided there could only be five acute hospitals in North West London the issue became which to close as acute sites; access for patients did not figure as a major deciding factor. Since then the maternity service in Ealing hospital has closed, followed by inpatient and A&E services for children at the end of June 2016. There is a clear intention to close the A&E departments at Ealing and Charing Cross hospitals. It is just a question of when.

This section provides a further analysis of the impact of proposed changes, and those that have already taken place, on access to care for the population of North West London, and how the health care system is performing. Our focus is on A&E services as these are pivotal to the viability of the hospital site and a good indicator of the quality of service, and are vital as a life and death service for local people

5.1 The context of increasing population growth

The North West London health economy covers eight of the 33 London boroughs, and eight CCGs, each contiguous with a London borough. It comprises a population that was estimated in SaHF's Case for Change (NHS North West London 2012) to be 1.9 million people, with growth 'in the next ten years', which we interpret as until 2022, of 5.9% to 2 million people. In fact the latest estimate (ONS 2016a) of the population in North West London (mid-year 2015 estimates) suggests there are already 2.06 million people, and that this grew by almost 62,000 (3.1%) between 2012 and 2015: already SaHF's population estimates are looking outdated.

Table 5.1: Projected growth in population, eight North West London boroughs, between 2014 and 2024

Borough	Projected growth
Hillingdon	16.1%
Westminster	15.6%
Hounslow	13.9%
Brent	11.4%
Harrow	10.7%
Ealing	7.9%
Hammersmith and Fulham	6.5%
Kensington and Chelsea	2.8%
North West London	11.1%

Source: ONS 2016a.

London is projected to continue to grow more quickly than the rest of England. Thus, the latest ONS population projections, for 2024, suggest growth between 2014 and 2024 of 13.7% for London as a whole; for England the projected growth over the same period is just 7.5% (ONS 2016b). Table 5.1 shows the projected population growth in the eight North West London boroughs, between 2014 and 2024: it is significant and comes to an average of over 11% across all of North West London. More recent population projections produced by the GLA confirm these findings and, moreover, indicate a projected increase in population of up to 26% by 2041⁵⁵.

These figures bear out the testimony and concerns expressed at hearings of the Mansfield Commission that SaHF is failing to plan adequately for such demographic changes.

SaHF also claimed that North West London is overprovided with A&E units relative to the rest of England. In our previous report we drew attention to the inaccuracies in SaHF’s calculations that lie behind this claim. In fact the catchment population of North West London A&Es was close to the national average and, with the closure of Central Middlesex and Hammersmith A&Es, the catchment has increased, and will increase further as the remaining two of what were nine units are closed.

5.2 Total beds in North West London

It appears that bed availability has increased in North West London, in the case of maternity and mental health, at a time when it is falling across England⁵⁶ and also in the rest of London (see Tables 5.2 and 5.3); and has fallen much less in the case of general and acute beds.

Table 5.2: Bed availability, 2009/10

	General & Acute	Mental Illness	Maternity
London North West	4,302	1,371	361
London	17,926	5,373	1,526
Rest of London	13,624	4,002	1,165
England	121,756	25,503	8,392

Source: Analysis based on NHS England 2015a.

Table 5.3: Bed availability, 4th quarter, 2015/16

	General & Acute	Mental Illness	Maternity
London North West	4,272	1,562	423
London	15,971	4,254	1,569
Rest of London	11,698	2,692	1,146
England	103,441	19,086	7,746

Source: Analysis based on NHS England 2015b.

⁵⁵ see <http://data.london.gov.uk/dataset/2015-round-population-projections>

⁵⁶ This is from a low base: England already has less acute beds per capita than comparable countries.

Table 5.4 shows there are more beds per head of population in North West London than in England as a whole – looking in more detail, there are 10% more general & acute beds; and there are 45% more maternity beds. The rest of London has about the same number of general & acute beds as England as a whole.

Table 5.4: Bed availability per 1,000 resident population, 4th quarter, 2015/16

	General & Acute	Mental Illness	Maternity
London North West	2.07	0.76	0.21
London	1.84	0.49	0.18
Rest of London	1.77	0.41	0.17
England	1.89	0.35	0.14

1 Based on above bed figures plus 2015 mid-year estimate of populations (ONS 2016a).

The issue is how North West London compares with the rest of the country. Two key questions remain unanswered: whether the growth in population has been sufficiently factored into the calculations of beds required; and, whether areas where North West London is in excess of average requirements merely reflect their different status as centres for specialist care and for training and research, or whether it does indicate overprovision of local services for local people.

It is well known that London hospitals provide specialist services to patients from all over England. Previous reports have shown that this can amount to as much as 15% of beds used (Boyle and Hamblin 1997). There are three specialist hospitals in North West London: the Royal Brompton, the Royal Marsden and the RNOH, which between them have 770 beds: this is over 18% of the total in NW London. If we remove these hospitals from our bed calculation above we find that North West London is much like any other part of the country.

5.3 Impact of changes on access to services

We consider now the impact of acute capacity closures on access to services. We focus on A&E services particularly since the closure of Central Middlesex and Hammersmith A&Es. We consider the performance of North West London on one or two key indicators of emergency performance, and how this performance may have been affected by the changes taking place under SaHF.

We differentiate between three types of immediate emergency response: that provided by acute A&E departments and designated as Type 1 in Department of Health terminology; that provided by specialist A&E departments and designated as Type 2; and that designated as Type 3 which is provided by a range of centres that are characterised by having more limited access to testing facilities, tend to be run by nurses or GPs, and often are not open 24 hours a day. This last category encompasses Urgent Care Centres (UCC), Minor Injury Units (MIU) and Walk-in Centres (WiC), as well as services provided directly by some GP practices.

Facilities in this last category were designed to deal with less serious health issues; there was a considerable expansion in their numbers after 2004 when UCCs were introduced in an effort to divert activity away from acute A&Es, but there has recently been a reduction in their numbers. Our analysis is based on our understanding of the structure of emergency care provision in North West London as described in our earlier report (Boyle and Steer 2015).

Use of emergency services

In the *Case for Change* (p15, NHS North West London 2012), SaHF claimed that the rate of A&E use is high across outer North West London; in particular it was claimed emergency admissions are much higher in Ealing and Hounslow (595 and 495 per 100,000 population against a national average of 410 per 100,000).

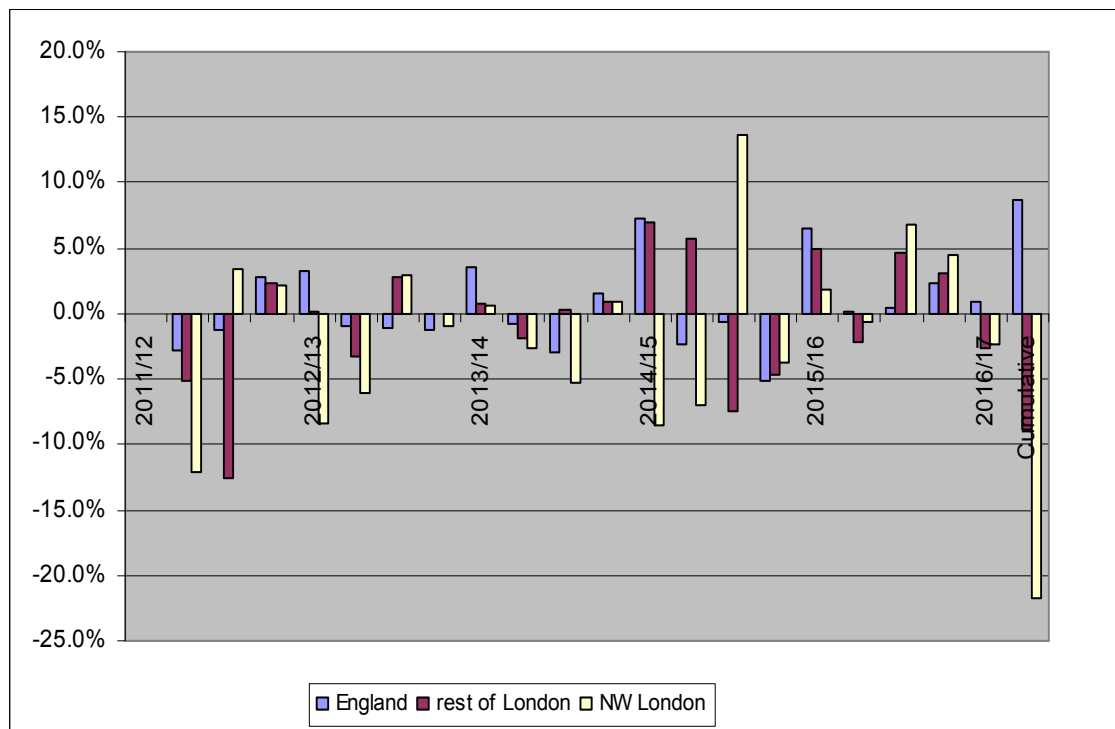
We examine this proposition. First we look at the number of A&E attendances in North West London, how many of these become admissions as emergencies, and how this profile has changed in the recent past. We then look at performance as measured by the NHS in terms of numbers of people attending A&E who are dealt with in less than four hours. For each of these indicators, we consider performance in North West London compared with the rest of London, and the rest of England.

North West London has a very different pattern of use of A&E services compared to the rest of the country and to the rest of London. There is a much larger proportion of attendance at non-acute centres (Type 3) and this has been growing in recent years. So we find that in 2011/12 some 68% of A&E activity in England was Type 1 whereas in North West London the figure was just 51%; by the third quarter of 2014/15 the England figure remained at 68% whereas in North West London just 38% of attendances were at acute A&E centres. For the rest of London the figure remained at 73%⁵⁷.

So patients in North West London appear to be able to distinguish very clearly their need for urgent care with now just over a third of them attending A&E departments when they perceive they have an urgent need for care. Patients in the rest of England, as in London, are being encouraged to behave like this, but there is no evidence of changes in patterns of demand. There has been no change in behaviour elsewhere over the last three years whereas North West London has witnessed a significant change.

⁵⁷ We have excluded Type 2 attendances from these figures.

Figure 5.1: Percentage quarterly changes in Type 1 A&E attendances, April 2011 – June 2016



Source: Analysis based on NHS England 2016

The question is what does this mean for the retention of A&E services in North West London. Figure 5.1 presents percentage change in Type 1 A&E attendances comparing England (excluding North West London), London (excluding North West London), and North West London. Data are provided on a quarterly basis and the final bar on the right-hand side is the cumulative change over this period.

These data reflect the position up to the end of June 2016, and hence include almost two years since September 2014 when Central Middlesex and Hammersmith A&Es were closed. Data are presented for all quarters from 2011/12 to 2015/16 plus one quarter of 2016/17, and the cumulative effect over the whole period.

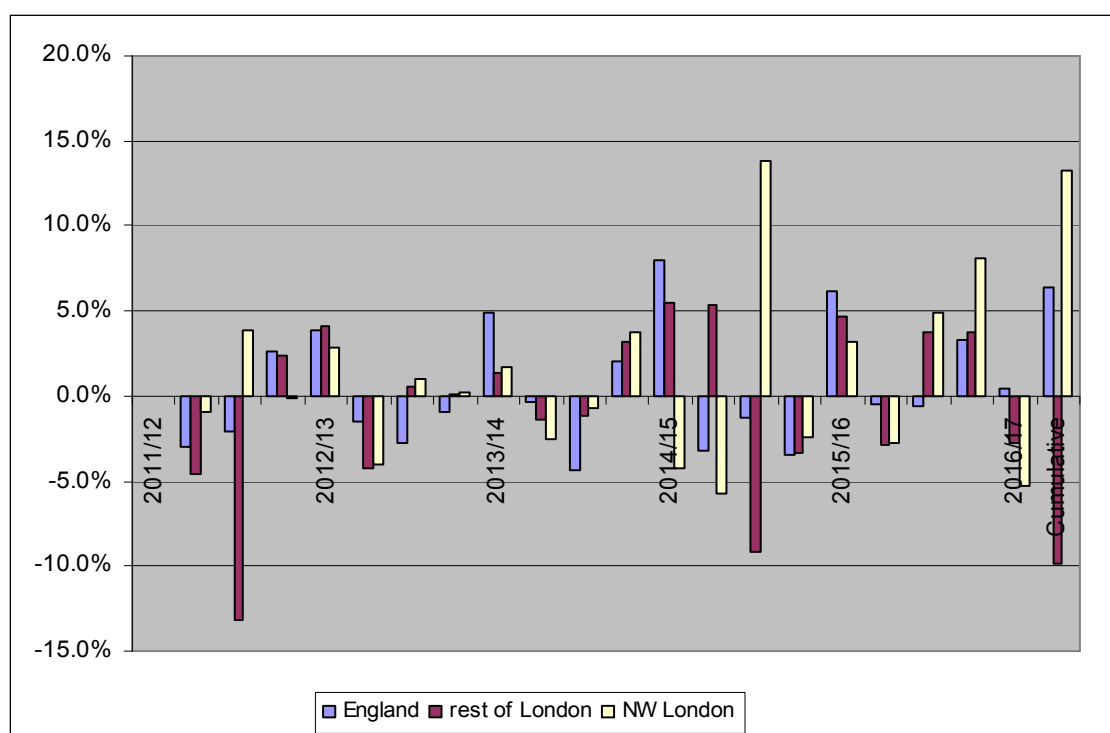
There has been a cumulative increase in A&E attendances in the rest of England over this period of 7.3%. However the picture seems very different in London where there has been a cumulative fall of 8.9% and in North West London where the reduction is even larger at almost 21.7%. This represents a fall of over 35,000 attendances in North West London hospitals over this period.

However, the growth in the use of urgent care centres in North West London would seem to provide most of the explanation for this fall in Type 1 attendances. Thus we find that in April 2011, Type 1 attendances were 55% of total Type 1 and Type 3 taken together, but by the end of June 2016, this proportion had fallen to 38%. The

position in the rest of England is very different: the proportion has remained at around 69% throughout this time; and in the rest of London it has been around 73%.

If we look instead at total A&E attendances including UCCs and specialist units we find a different picture, as Figure 5.2 shows. Attendances in North West London have increased by 13.2%, and in England by 6.4%, whereas those in the rest of London have actually fallen by 9.9%.

Figure 5.2: Percentage quarterly change in all A&E attendances, April 2011 –June 2016



Source: Analysis based on NHS England 2016.

Taking a population view, we compare use per 1,000 population⁵⁸. We find that in England, utilisation of Type 1 services has gone up marginally between 2011/12 and 2015/16, from 264 to 273 per 1,000 resident population; in North West London on the other hand utilisation has fallen from 304 (when it was above the England average) to 242 (now well below the England average). The rest of London exhibits greater use of Type 1 A&E services and although this has fallen marginally, from 375 in 2011/12 to 361 in 2015/16, it remains above both England and North West London figures.

On the other hand we find that North West London residents make considerably more use of UCCs and WiCs, between two and three times as much as England or the rest of London, and this has increased over these five years, from 295 to 400

⁵⁸ We use the 2012, 2013 and 2014 ONS mid-year population estimate for ease of comparison.

attendances per 1,000 population: the equivalent figures for England are 129 and 134, and for the rest of London, 143 and 134.

This provides a fascinating insight into the use of services in North West London. Certainly North West London residents are not over-using acute A&E services when compared with residents of the other London boroughs, or indeed with the rest of England. So this cannot be used as an argument for removing services or closing down A&E units. Utilisation was falling before the closure of Central Middlesex and Hammersmith A&Es, and has continued to fall since.

On the other hand, North West London residents are making considerably more use of UCCs and the like, over three times as much usage as England in 2015/16. This could be a sign that the message has got through to North West London residents in a way that it has not in other parts of the country, that A&E departments should only be used in an emergency. It may also indicate a paucity of GP services, or poor quality services that cause residents to go to UCCs as an alternative to primary care. As one medical director in North West London said in an interview, for a younger more mobile population, UCCs may be a sensible alternative to the traditional GP practice.

So we have a situation in North West London where total attendances have been increasing but Type 1 A&E attendances have fallen over the last five years. What has been the impact of this on performance?

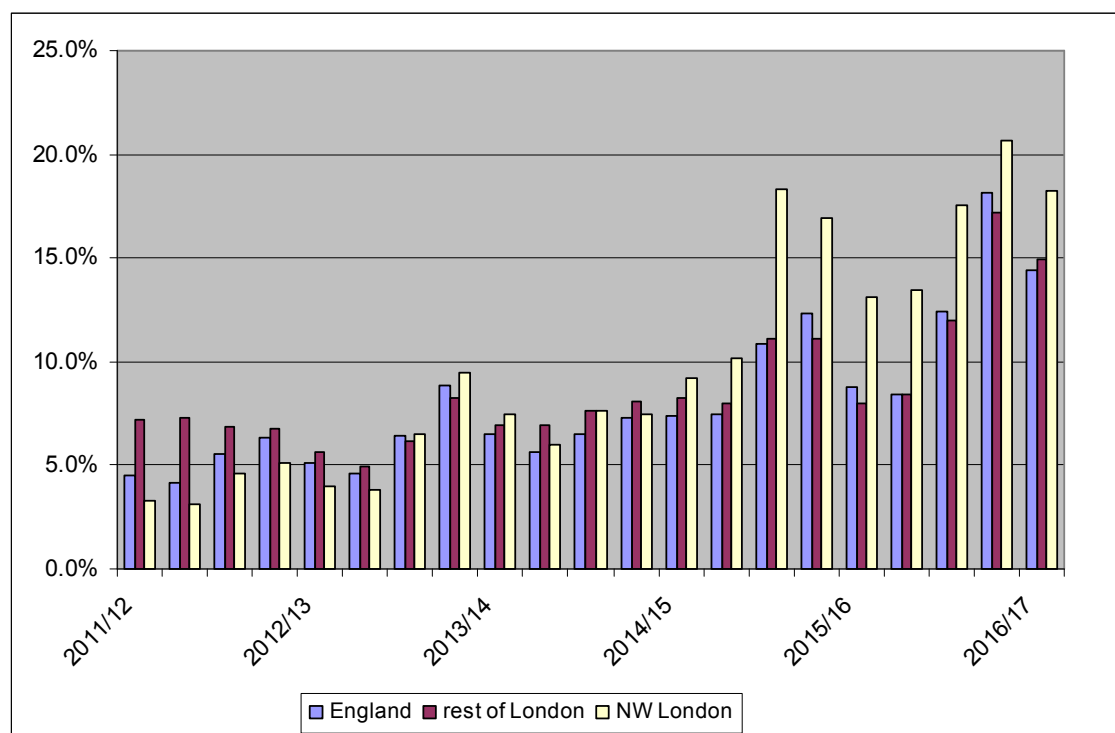
A&E performance

Several indicators are used to measure A&E performance. In an earlier report (Boyle and Steer 2015) our focus was on the proportion of people attending A&E who are not dealt with within four hours, and we found that there had been a considerable deterioration in performance on this measure. North West London, in the first quarter of 2011/12, was better than the rest of England and the rest of London, and at just over 3% was well within the margin of the target of 5% set by the government⁵⁹. However the position gradually worsened during this period – a period when attendances were in fact falling – so that by the last quarter of 2013/14, North West London was worse than the rest of England and almost as bad as the rest of London: in the final quarter 7.4% of people were not seen within four hours.

However when we look at more recent performance and in particular since the closure of two A&E units in North West London (on 10 September 2014) there is a considerable deterioration in performance. Figure 5.3 compares the position in North West London with the rest of London and the rest of England for Type 1 attendances.

⁵⁹ This refers to attendances at Type 1 facilities.

Figure 5.3: Proportion of patients not seen at Type 1 A&E within 4 hours, April 2011 – June 2016



Source: Analysis based on NHS England 2016.

The situation continued to get worse in 2014/15 so that we find North West London much worse than the rest of country and the rest of London: in the third quarter of 2014/15 the figures were 18.3%, 10.9% and 11.1% respectively. This is a dramatic deterioration in performance with the biggest change coming between October and December 2014 (just after the closure of two A&Es) when the proportion failing to meet the target increased from 10.2% to 18.3%.

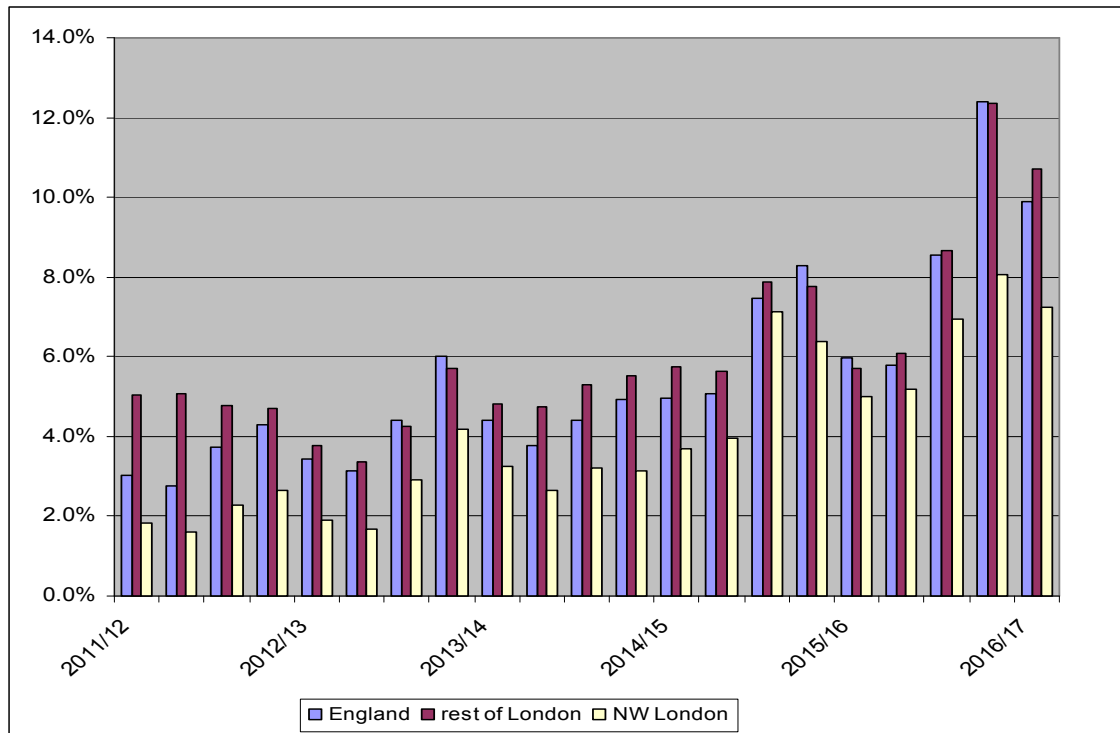
However, in 2015/16, while the position in North West London got slightly worse, the position in the rest of London and the rest of England deteriorated significantly. Thus by March 2015/16, the comparable figures for North West London, the rest of London and the rest of England were 20.6%, 17.2% and 18.1% respectively. By the end of June 2016 this had fallen slightly to 18.3%, 14.9% and 14.4% respectively, although this is for a quarter when we would normally observe a much lower level of failure.

However it is scant consolation to residents of North West London that the rest of country is catching up in terms of poor A&E performance. Moreover, as noted earlier, A&E attendances are less in North West London with much greater use being made of Type 3 sites. Those people attending Type 1 A&Es in North West London are therefore likely to have greater needs than elsewhere in the country.

If we include all A&E attendances (Types 1, 2 and 3), we find North West London performs better than the rest of London and the rest of England, and has done so

throughout this period, although performance has deteriorated across the country. In the last seven quarters, even on this measure North West London failed to achieve the 95% target.

Figure 5.4: Proportion of patients not seen at all types of A&E within 4 hours, April 2011 – June 2016



Source: Analysis based on NHS England 2016.

Confusion has been introduced by the way in which Type 3 services are often referred to as A&E services, both in national and in local documents, and in the press. This can sometimes lead to apparently contradictory statements if a system is able to meet targets across all types of service but fails on the key service, Type 1, which is what most clinicians and members of the public would regard as key to a well-functioning emergency service. It is the inability to meet the target for Type 1 A&E services that is of most concern.

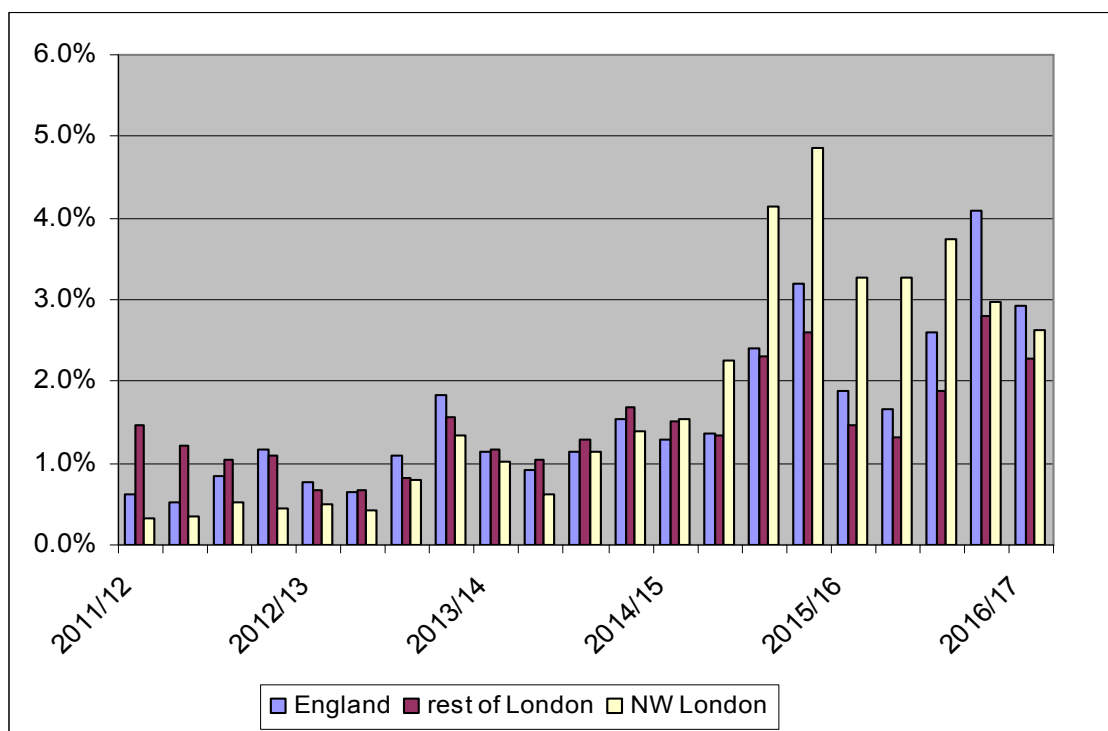
Time from decision to admit to admission

Another measure of quality in the A&E department is how long it takes a patient to be admitted to a bed once the decision has been made to do so. In many cases this can take up to 12 hours, and in rare cases over 12 hours. These incidents are also recorded in the 4-hour target breaches but provide a further indication of poor overall performance.

Again we find that performance in North West London has deteriorated sharply since the closure of two A&Es in September 2014. Nationally and in the rest of London the picture is also poor. As Figure 5.5 shows, in the first quarter of 2016/17, 2.6% of

patients in North West London A&Es waited up to 12 hours for admission, 2.3% in other parts of London, and 2.9% in the rest of England.

Figure 5.5: Proportion of patients who spent >4 hours but <12 hours from decision to admit until admission, April 2011 – June 2016



Source: Analysis based on NHS England 2016.

Conversion from A&E to emergency admission

An indicator of the potential pressure on emergency capacity is the conversion rate between A&E attendances and emergency admissions to hospital ie the proportion of patients who attend A&E who have a condition that is serious enough to warrant admission to an acute bed.

The rate in North West London hospitals has changed considerably over the last five years, most probably due to the shift between attendance at Type 1 and Type 3 A&Es. Looking first at England we find the conversion rate increased from 25% to 27% considering just A&E Type 1 attendances. But if we look at North West London we find that this rate has increased from 24% to 33%, and at times has been as high as 35%. In absolute terms the number of emergency admissions each year from this source increased from 162,370 to 164,690 even though the number of A&E Type 1 attendances had fallen by over 115,000, between 2011/12 and 2015/16. We can only speculate as to what is happening but given the observed shift from Type 1 attendances to Type 3 (UCCs), it would appear that those patients attending Type 1 A&E are more acutely ill as a group than was the case previously.

This would seem to be confirmed by the fact that taking all attendances at all types of A&E we find the proportion in North West London admitted has remained at around 12-14% throughout this period whereas in England it has increased from 16% to 18%. In London (not including North West London) the conversion rate for Type 1 A&E has varied between 22% and 24% during this period while the rate for all A&E attendances has remained around 15-16%.

Our results suggest that poor performance and closure of A&E units are linked.

5.4 Summary

The SaHF analysis failed to take adequate account of likely increases in population over time, as the latest ONS population projections indicate. SaHF's assumption of 5.9% growth over ten years in North West London considerably understates the trend that is projected to be almost twice that. Moreover recent population projections indicate even more significant growth over the period to 2041, of 26% when compared with the position in 2011.

North West London has a different pattern of use of emergency services with greater use of UCCs than other parts of London, and the rest of England.

There is no evidence that North West London uses more A&E emergency services than other parts of England, or London.

Partial implementation of a programme of closures of acute services before an adequate business case has been produced, has had a detrimental effect on the delivery of services in North West London. The deterioration in A&E services raises questions as to whether further closures of services should be allowed prior to the agreement of a final business case.

This suggests that the closure of acute services at Charing Cross and at Ealing should be halted and sufficient resources made available to retain existing services and staff. There should also be an appraisal of the reintroduction of A&E services at Hammersmith with joint staffing across the three Imperial sites.

6 Concluding comments on the STP

6.1 The STP is merely a re-iteration and an elaboration of the SaHF plans, but with a limited five-year time horizon, and within that a tighter focus on eliminating provider deficits within two years. It is therefore no substitute for the SaHF business planning process which of necessity has a much longer planning horizon. This discrepancy runs the risk of promoting short-term cutbacks at the expense of meeting long-term needs.

6.2 The STP is not adequately rooted in a needs analysis. There is no discussion of recent population increases and the increased population projected. The STP appears to have ignored the latest projections and so we have no confidence in the level of services being planned for.

6.3 There is no reflection on the action that has been taken in North West London in recent years both to manage the finances in the short term (successful) and to progress the SaHF plans via various closures and experiments in primary, social and community care (unsuccessful).

6.4 We estimate some £200 million may have been spent already on taking SaHF forward over the past five years, and there is little to show for it.

6.5 At this stage we would have expected to see some progress in reducing demand for acute beds. Instead we have seen reductions in social care funding, a crisis in care homes and increasing demand and activity in acute beds. Operationally there has been a worsening in quality and a drain on local resources. All of these are the opposite of the intended consequences.

6.6 The STP plan relies upon a fundamentally naïve options appraisal: it offers only a choice between 'doing nothing' or 'doing something'. This is contrary to Treasury guidance on Investment appraisal which regards a "Do Minimum" option as vital in avoiding the presentation of ostentatious and costly options, involving greater capital investment and risk than more modest proposals.

6.7 The figures quoted in the STP's financial and economic analysis follow the previous path of quoting indicative, unsubstantiated figures, presented to inappropriate levels of detail, at an unpublished cost base, and which have proven in the past to be misleading as an estimate of the eventual costs. From the analysis presented it is not clear whether the investments are economic, realistic or deliverable. By 'economic' we mean whether the benefits proposed could not be delivered more cheaply by other means. By 'realistic', we mean whether the business case and evidence supporting savings proposals are compelling and sound. And by 'deliverable' we mean that assumptions on capital availability, including capital receipts, management expertise and staffing can support the magnitude of the ambitious plans put forward.

6.8 There is a lack of compelling evidence to support these far-reaching plans. No one would oppose plans to prevent illness or to direct care to less intensive settings – if there was UK evidence that such strategies are working and are deliverable. But at a time of rapidly expanding population, an even more rapidly expanding elderly population, and manifest problems in primary, community, social and mental health services it is foolish to gamble heavily on the success of an unproven strategy. The material cited as evidence in references to the STP lacks working examples of the new models which the commissioners wish to establish, and therefore practical evidence on whether it is possible to deliver either the services required or the savings which are the key current objective⁶⁰.

Independent appraisals of experiments in the UK and in North West London have all applauded good intentions and improvements in patient satisfaction: but it is not clear whether new ways of working are economic or sustainable.

Experiments have been being kept going by non-recurring sources of funding and support nationally but independent reviews are questioning whether the funding is value for money or likely to be successful in the longer term as the background situation deteriorates (with less availability of capital, nursing homes closing, and continuing restrictions to social care funding).

6.9 The risk analysis in the STP is very weak. It fails to cost the consequences of risk events occurring and to assign a probability factor to such events. Based on the evidence before us, we see the risks at this stage – high avoidable costs and deterioration in the volume and quantity of services that are needed – as too high to be acceptable. There appears to be very little in the way of contingency planning to ensure that a failure of one or more parts of the plan do not endanger the longer term continuity of services to patients.

⁶⁰ We note also the extremely poor quality of the referencing, which would be rejected as inadequate if submitted by a student in any first-degree level essay. More than half of the references are either not valid references to identify the data or document used, not published, or sources internal to the NHS. Several refer to the 2,678-page SaHF Decision-making Business Case, and one to papers for the long-awaited but still unpublished SaHF Implementation Business Case. Of the remainder many are general references to statistical sources, one of which shows different results from the argument in the STP. There is a vague link to a 274-page study from 2007 without any specific details, another to the middle of a 2006 debate in the House of Commons on a Labour government Green Paper on welfare reform, one to Lord Carter of Coles' recent study which does not seem to support the argument of the STP, another to a 2010 analysis of 148 research studies, just seven of which were from the UK, and another a fascinating if irrelevant study by a team of unmistakably Swedish authors on diabetes in Sweden. We are appending a summary of the evidence presented so far as Appendix 2.

Appendix 1: Outline of current position in respect of SaHF

We draw on a number of sources to describe the current position with respect to the SaHF programme, which has to a large extent now been sidelined by the STP project, which has taken on some of the system transformation tasks set in the SaHF proposals. Our sources include:

- North West London Implementation Business Case (ImBC) briefing for North West London Joint Health Overview and Scrutiny Committee 14 October 2015
- NWL JHOSC April 2016 report on “Shaping a healthier future - transforming care in North West London
- Summary and Analysis of Documentation from Dr Anne Rainsberry – Briefing From Peter Smith LBHF –Oct 2015
- SaHF Month 2 Budget Update SaHF & NWL Strategy and Transformation Programmes June 2016

We begin by emphasising the unusual and unprecedented complexity of presenting a business case encompassing nine hospitals and eight CCGs for over £1.3 billion of projected capital expenditure “transforming” health care for 2 million people. It is over four years ago that a “Case for Change “was drafted and presented for public consultation. As we reported in our earlier report (Boyle and Steer 2015) we believe that the public consultation grossly underestimated the capital costs, misrepresented the case for reducing acute capacity required to meet the needs of an expanding population and seriously underestimated the problems of delivering and implementing the plans being discussed.

Since then there have been continuing false dawns as promises to deliver business cases by particular dates have been unfulfilled. Not only that, despite it being an established Nolan principle that there should be openness and transparency, and despite the NHS Constitution stating “The NHS also commits to provide you with the information and support you need to influence and scrutinise the planning and delivery of NHS services”, it has been extraordinarily difficult for local government to influence and scrutinise the SaHF plans.

Despite Government seeming to encourage integrated working between local government and the NHS, the reality on the ground is that local government has felt excluded, not involved and lacking information on the detail of plans being developed and the evidence on how such plans were progressing.

It was a result of these anxieties that the Mansfield Independent Commission was asked to examine the SaHF process. The Mansfield Report was published in

December 2015 and presented a number of recommendations regarding the SaHF process including that the programme be halted.

This has not happened; there have been increasing concerns that plans are being implemented prior to the publication and approval of a business case. In particular closures of A&E units (for safety reasons) at Central Middlesex and Hammersmith Hospitals and closures of maternity and paediatric services at Ealing Hospital (again citing safety concerns and inability to recruit staff) have taken place prior to the presentation of a business case, even to Strategic Outline Case (SOC) –the first stage standard.

This is plainly an unsatisfactory situation. In the meantime the SaHF programme is well resourced and is set to continue albeit at a reduced rate as the latest position as reported in the SAHF Report of June 2016 suggests:

- The funds committed to the SaHF process totalled £67.7 million in 2015/16 and a further £41.7 million is budgeted in 2016/17;
- ImBC (the Implementation Business Case) has been forecast as a six-month project expected to end in September 2016. According to the report to JHOSC there is no further funding available within the current budget to extend this work, either within the S&T (Sustainability and Transformation) directorate or from further support to providers.

However, this is at odds with reports that the programme to support transformation is likely to be even more prolonged as capital availability is reducing with no significant investment capital available before 2021.

Previously we estimated the cumulative costs of the SaHF process (Boyle and Steer 2015) as follows in Table A.1.

Table A.1: Estimated costs of the SaHF programme, 2010/11 to 2017/18

	Identified programme costs/budgets £ m	Of which, identified consultancy costs £m
2010/11	0.50	0.50
2011/12	2.55	2.55
2012/13	8.60	8.60
2013/14	27.30	10.34
2014/15	62.90	13.44
2015/16	53.70	
2016/17	40.00	
2017/18	40.00	
TOTAL	235.55	35.43

Sources: SaHF reports to JHOSC, CCG reports and Colin Stansfield. Figures for 2016/17 and 2017/18 are estimates.

It would appear that these costs may have been underestimated; it was reported in May 2016 to the JHOSC that consultancy expenditure in 2014/15 was £20 million and in 2015/16 a further £5.17 million.

The response of SaHF officers when our figures were presented in 2015 was that they did not recognise these figures. However, they have failed to provide their own public account of the costs of the SaHF programme since its inception. There is therefore an unacceptable lack of a clear audit trail providing the ability to monitor and hold accountable the costs of the SaHF process.

It is clear however that the vast majority of this expenditure has come from local commissioning budgets and this alone will have contributed significantly to the financial pressures felt in North West London.

Who can understand the SaHF business case approval process?

At this stage it is helpful to clarify the approval process that SaHF faces: who and what organisation will approve the business cases presented by SaHF so as to provide the basis for resources to be allocated and investment to take place. Since we first reported there has been a clarification of the process; the precise meaning of an Implementation Business Case (ImBC) in relation to the normal planning process has been defined in an unsigned report to North West London Joint Health Overview and Scrutiny Committee on 14 October 2015 from the Accountable Officer, CWHHE Collaborative⁶¹.

This was how the SaHF process was described:

“The standard development process for a capital case is firstly that a SOC is produced, followed by an Outline Business Case (OBC) and then a Full Business Case (FBC). Approval for the DMBC (Decision making Business Case) allowed the development of the ImBC, incorporating the agreed clinical model and identifying the level of capital investment required for implementation of the site-based service changes agreed in the DMBC. The ImBC therefore goes beyond the level of a conventional SOC but is not strictly an OBC in the conventional sense.”

It should be emphasised that such categories as the DMBC and ImBC only came into existence very recently to provide a justification for claiming decisions had been made to continue with projects such as SaHF, which had been given ministerial approval prior to the obligation to provide and secured approval for a SOC, OBC and FBC, as was always the model previously. Thus we hear the SaHF business case has

⁶¹ <http://www.harrow.gov.uk/www2/documents/s130337/151014%20NWL%20JHOSC%20-%20paper%203%20-%20Implementation%20Business%20Case%20briefing.pdf>

already been approved by the minister, even though it has not been presented even to the SOC level hitherto.

The report to JHOSC continued,

“For assurance purposes, the ImBC is a ‘SOC plus’. Because NWL NHS Trusts have worked on and agreed the specifics of the site-based service changes and costs in the ImBC, there is no requirement for trusts to produce a SOC of their own. The NHS Trust Development Authority (NTDA) has agreed to treat the ImBC as an ‘umbrella’ SOC for trusts and will be agreeing the ImBC through its governance process, as will NHS England. Individual scheme OBCs will then be developed from the ImBC and they will identify the best procurement route. At this point, high level financial estimates will exist for the preferred approach, but considerably more detailed than for a SOC.”

The latest expectation therefore is that after approval of the umbrella commissioner SOC, provider OBCs will be compiled and presented for individual approval. The report to JHOSC continued,

“The FBC, developed from the OBC, should be sufficiently detailed to support a procurement decision and commit actual funding, as well as providing the basis for the necessary project management, monitoring, evaluation and benefits realisation.

There are two Foundation Trusts in NWL – Chelsea and Westminster and the Hillingdon. Monitor does not approve or agree Foundation Trust OBCs, as this is effectively a commercial and value-based decision for the Trust Board. However, Monitor will need to agree the FBCs within the terms of the FT licence.

Classing the ImBC as an ‘umbrella’ SOC, allows trusts to submit their OBCs for approval as soon as the ImBC is approved. This should significantly speed up the process of producing the business cases – which has a direct impact on the timings for actual development works to commence. It will also allow Commissioners to submit their OBCs for the Primary Care and Out of Hospital (OoH) developments included in the ImBC rapidly and in sequence.”

The expectation is then that the following list of separate business cases will be presented and individual approval sought:

1. 19 CCG Commissioner out-of-hospital ‘hub’ business cases. In total there expected to be 27 hubs, four of which are already operational. The remaining four are sited within NHS Trusts and are included in the relevant Trust OBCs. The 27 ‘hubs’ are the cornerstone of the NWL CCG out-of-hospital clinical service model.
2. a number of relatively smaller CCG Commissioner primary care estate scheme business cases.

3. two Local Hospital business cases (Ealing and Charing Cross) – these are acute trusts.
4. one Elective Hospital business case (Central Middlesex Hospital) – this is an acute trust.
5. five Major Hospital business cases (St Mary’s, Northwick Park, West Middlesex, Hillingdon and Chelsea and Westminster) – these are acute trusts.
6. one Specialist Hospital business case (Hammersmith Hospital) – this is an acute trust.

In the words of the report to JHOSC,

“The programme is currently finalising the complex sequence of approvals which ensures, as far as possible, that business cases transit rapidly through their governance stages and that the ‘slower’ business cases do not hold up the ‘fastest’ or most able to rapidly deploy. Given the complex interrelationships and inter-dependencies of the various service movements, the programme is taking care to fully work this up”.

The ImBC will go through the NHS approval processes after approval by NWL CCG and Trust boards. Assuming approval from NHSE, the ImBC will go to DH (Department of Health) and HMT (Her Majesty’s Treasury). The NTDA has agreed to accept the ImBC as an umbrella SOC and it will also go to the NTDA approvals process”.

“The DH scheme of delegation sets out that NHS Trust and CCG business cases above £50m require approval by the Department of Health and Treasury. NHSE will be engaging both to discuss assurance and capital availability.

The NHSE scheme of delegation sets out that business cases with a financial value up to £15m will require Chair, Chief Executive Officer or Chief Financial Officer approval; between £15m - £35m will require investment committee approval and above £35m require Board approval.

NTDA’s scheme of delegation sets out that business cases with a financial value up to £15m will require Director of Finance approval; between £15m - £35m will require investment committee approval and above £35m will require Board approval

CCG primary care and out-of-hospital business cases will be processed through the normal NHSE capital planning and approval processes”.

We reproduce this – undigested for the lay reader – to demonstrate using the NHS’s own language what a hugely complex process it is. The fact that it still has not yet got

beyond first base and that the bodies set to approve the business cases (the NHS Trust Development agency and Monitor) have both since been abolished and put under the new leadership of NHS Improvement with a brief to control and 'get a grip' on NHS finances only serves to underline this complexity.

Will the process ever be completed?

This was reported in May 2016 to the JHOSC in North West London,

" We plan to provide a draft ImBC to NHS England in July 2016 as part of the review and assurance process

We plan to submit the ImBC to the NHSE Investment Committee on 13 September 2016. It is also expected to reference two 'business as usual' bids for Northwick Park Hospital and Central Middlesex Hospital for essential maintenance and modernisation (examples include boilers and pharmacy – updating and expanding both to meet current need and be more efficient in future)"

But even reports dated May 2016 have been subject to slippage and at the time of writing (end of September 2016) no ImBC had been received by NHS England and the proposals are unlikely to be presented to the NHS England Investment Committee earlier than the end of 2016. It is further understood that proposals would require minimal capital in the period to 2021 implying a slowing of the SaHF timetable as first envisaged.

Again in May 2016, the report to JHOSC continued,

"NWL CCGs and hospital trusts are currently working together to finalise the level of capital that will be needed.

Clearly it has taken longer than we would have liked to produce the ImBC a major factor has been changes in trust finances across the country in last 12-18 months which has meant a reworking of the financial case. SaHF has always been driven by the need to improve the quality of care and patient experience, but we must equally ensure that financial sustainability is achieved.

The capital needed must be credible in the current financial context and it must be available and it must be affordable. This means the ImBC will not be made public before it has been assured by NHS England and NHS Improvement and recommended by the NHS England Investment Committee".

We are concerned by this last statement as it will be impossible for NHS England to provide assurance that the business case has the involvement, engagement and commitment of local stakeholders (as is required) if the business case has not been

shared, understood, scrutinised, and subject to independent review, so that informed consent can be meaningful. Sufficient time must be allowed for this.

Further, given the alarmist publicity regarding the extent of NHS provider deficits and the requirement to cope with the likely further adverse financial consequences of Brexit, it would be unwise in our view to assume that this path will lead to rapid and full approval. Already we understand consultancy budgets used to support the SaHF process have been cut back after concerns over costs and value for money.

In particular the use of land receipts is likely to be a thorny issue: the past Chancellor had earmarked these as a contribution to the NHS revenue budget and so these receipts would not be available to fund further capital expenditure. Given the sacking of the Chancellor this may be reviewed but it is likely to result in delays to the onward development of the SaHF programme.

In June 2016 it was reported by the SaHF team that 130 people were working on the SaHF process including 75 interim executives. Although it was stated that numbers would reduce by 16 in October, almost a hundred staff would be in post in March 2017.

It becomes clear elsewhere in this report however that SaHF is being transformed into part of a larger Sustainability and Transformation Planning (STP) process: as such SaHF will become a subset of STP and any pretence of formal accountability may be lost.

We believe that the SaHF programme should continue to be held accountable and subject to continual review. We are concerned that the STP process represents a way to inject new life into a programme struggling to maintain credibility. Our concerns with the governance and other aspects of the STP process are discussed elsewhere in this report (See section 6).

Summary

Given the strategic context and continuing delays in the development of an evidence base supporting the assumptions in draft SaHF business cases we remain sceptical that NHS England can assure the plan – as is required before it can be presented for approval to the NHS England Investment committee in October and then it will need to go before the DH and Treasury.

It is inappropriate and undermines trust and confidence in the claims for integrated working if local government cannot be trusted by the NHS to review business cases in advance of presentation and agreement. We recommend that boroughs ensure sufficient time and resources are available to review what emerges. This is likely to be significantly different to the original proposals presented to the public in 2012.

Whatever is presented should be submitted to detailed scrutiny, including access to the detail of financial and bed modelling assumptions. Significant errors were made in the modelling of bed numbers arising from the closures of Central Middlesex and Hammersmith hospitals that the Independent Review concluded could have been prevented if there had been better review of the planning assumptions. Without access to such details any review is worthless and the potential risks attached to future plans and modelling are unacceptable.

In our earlier report we recommended far more attention be given to “Do minimum” options. However, SaHF and other NHS officers do not appear to have taken this recommendation seriously and instead have put the onus on others to identify alternatives to the SaHF proposals.

This could lead to further delays in the approval process for plans being presented although it is understood that the latest drafts of business cases have cited very large increases in the value of clinical benefits, and from the multiplier effect of large investments in hospital capacity which may act to downgrade the impact of a “do minimum” in an economic appraisal.

Without sight of the documentation it is difficult to say whether this is credible, although the reality on the ground is that the programme is being denied any significant capital for at least five years and that each further business case will be required to demonstrate its viability as the programme proceeds. The threat remains however, particularly to Ealing hospital.

It is likely that the time lags between finally presenting business cases, implementing the changes in primary and community care, and demonstrating that acute capacity can be successfully reduced are likely to be at least five years, if ever. In these circumstances no further changes to acute capacity should be implemented and more measures should be taken to bolster short- to medium-term confidence at Central Middlesex, Hammersmith, Charing Cross and Ealing hospitals.

Appendix 2: An examination of the quality of evidence and appropriateness of sources cited in support of the Draft STP Version 1.0

The table below provides an examination of the quality of evidence and appropriateness of sources cited in support of the Draft STP Version 1.0.

Reference given	Comment
Executive Summary	
1 Health & Wellbeing of NW London population (2016). Triborough Public Health Intelligence Team.	Not an adequate reference. Not published
2 ONS 2011 population figures 65+ accessed at https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/lowersuperoutputareamidyearpopulationestimates = 159,617.	ONS Lower Super Output Area Mid-Year Population Estimates – latest year 2014 This is not an accurate reference to check the source used.
2 Living alone 2011 public health % of households occupied by a single person aged 65 or over accessed at http://fingertips.phe.org.uk/search/older%20people%20living%20alone#page/3/gid/1/pat/6/par/E12000007/ati/102/are/E09000002/iid/91406/age/27/sex/4	Public Health England figures from 2011
3 https://www.gov.uk/government/publications/child-poverty-basket-of-local-indicators	Department for Education 2014 figures
4 http://www.phoutcomes.info/search/overweight#pat/6/ati/102/par/E12000007	Public Health England Outcomes Framework
5 System-wide activity and bed forecasts for ImBC	Not published – frequently postponed
6 Chin-Kuo Chang et al (2011), Life Expectancy at Birth for People with Serious Mental Illness and Other Major Disorders from a Secondary Mental Health Case Register in London. PLoS One. 2011; 6(5): e19590 cited in https://www.england.nhs.uk/mentalhealth/wp-content/uploads/sites/29/2016/05/serious-mental-hlth-toolkit-may16.pdf	May 2011 article available online. Cited in Public health England 2016 pamphlet on improving physical health of people with mental illness
7 National Survey of Bereaved People (VOICES 2014)	http://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthcaresystems/bulletins/nationalsurveyofbereavedpeoplevoices/2015-07-09 Statistical survey – England. No specific reference to London
8 Health & Wellbeing of NW London population (2016). Triborough Public Health Intelligence Team. Serious and Long Term Mental Health needs figure comes from GP QOF register for Serious Mental Health Issues.	As above, not published
9 NW London high level analysis of discharging rates within/across borough boundaries.	Not an adequate reference. Not published?

10 Initial target for LPOl project	Not an adequate reference. Not published?
11 Estimate based on numbers of emergency referrals responded to by Single Point of Access in first six months of activity; extrapolated to cover both CNWL and WLMHT SPAs for full year	Not an adequate reference. Not published?
12 Initial activity analysis following service launch at West Middlesex University Hospital	Not an adequate reference. Not published?
13 London Quality Standard	https://www.england.nhs.uk/wp-content/uploads/2013/08/lon-qual-stands.pdf
14 Shaping NW London High Level Analysis of Inpatient Radiology Diagnostic Imaging and Reporting. Data extracts from Trust RIS systems for all inpatient radiology imaging	Not an adequate reference. Not published?
Case for Change	
1 Public Health Outcomes Framework data - Slope Index of inequality in life expectancy at birth using 2012-2014. 16.04 years relates to figures for Kensington & Chelsea.	Not an adequate reference
2 NOMIS profiles, data from Office for National Statistics	Not an adequate reference
3 Health & Wellbeing of NW London population (2016). Triborough Public Health Intelligence Team. Serious and Long Term Mental Health needs figure comes from GP QOF register for Serious Mental Health Issues.	Not an adequate reference. Not published?
4 Health & HSCIC, Shaping a Healthier Future Decision Making Business Case and local JSNAs	Not an adequate reference: DMBC is 2,678 pages long.
Delivery Area 1: radically upgrade prevention & wellbeing	
1 Local analysis using population segmentation work from London Health Commission, and population projections from the Greater London Authority (GLA SHLAA 2014)	Not an adequate reference
2 TBC – requested from Public Health	Not a reference
3 Commissioning for Prevention: NW London SPG: Optimity Advisors Report	Commissioning for Prevention is at https://www.england.nhs.uk/wp-content/uploads/2013/11/call-to-action-com-prev.pdf Optimity report is at http://optimityadvisors.com/sites/default/files/research-papers/Optimity-Matrix-Report-Cost-effectiveness-review-of-blood-pressure-interventions.pdf or alternatively a different report at www.yhpho.org.uk/resource/view.aspx?RID=213721 It's not clear which, if either, and which data is being used.

4 Health First: an evidence-based alcohol strategy for the UK, Royal College of Physicians, 2013	http://www.stir.ac.uk/media/schools/management/documents/health-first.pdf
5 Siegler, V. Measuring National Well-being - An Analysis of Social Capital in the UK, Office for National Statistics (2015) http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171766_393380.pdf	Accurate reference, but data very general, no specific analysis of geographical areas (no mention of London).
6 Westminster Joint Health and Wellbeing Strategy (2016). http://www.centrallondonccg.nhs.uk/media/45071/120-clccg-gb-part-i-westminster-joint-health-and-wellbeing-strategy-and-sign-off-processes-v2.pdf	40-page report: no accurate reference, but presumably to page 8.
7 DWP - Nomis data published by NOS	As in previous use, not an adequate reference.
8 IPS: https://www.centreformentalhealth.org.uk/individual-placement-and-support	Working web link but imprecise location for reference: page cited online does not give the figure used in the STP.
9 Local analysis using population segmentation work from London Health Commission, and population projections from the Greater London Authority (GLA SHLAA 2014)	Second time of citing. Not an adequate reference
10 Commissioning for Prevention: NW London SPG: Optimity Advisors Report	Same as 3 above
11 Local analysis using population segmentation work from London Health Commission, and population projections from the Greater London Authority (GLA SHLAA 2014)	Same as 1 and 9 above: Not an adequate reference
12 Cancer Research UK	Not an adequate reference; no specific location cited.
13 http://www.phoutcomes.info/search/overweight#pat/6/ati/102/par/E12000007	Childhood obesity is a serious problem, and especially bad in London, but the figures cited do not show North West London worse on 4-5 year olds, although the same or worse on 10-11 year olds.
14 Public Health England (2014)	Not an adequate reference
15 Local analysis using population segmentation work from London Health Commission, and population projections from the Greater London Authority (GLA SHLAA 2014)	4th time of citing. Not an adequate reference
16 Holt-Lunstad, J, Smith TB, Layton JB. (2010) "Social Relationships and Mortality Risk: A Meta-Analytic Review" PLoS Med 7(7)	Located at: http://journals.plos.org/plosmedicine/article/asset?id=10.1371%2Fjournal.pmed.1000316.PDF However interesting of the research may be of doubtful relevance to NW London: just 7 of the 148 studies analysed relate to the UK; most are

	US-based.
17 Commissioning for Prevention: NW London SPG: Optimity Advisors Report	Third time of citation: same as 3 above.
18 http://www.phoutcomes.info/search/overweight#pat/6/ati/102/par/E12000007 , Public Health Outcome Framework	Second time of citation, same as 13 above
19 Westminster Joint Health and Wellbeing Strategy (2016). http://www.centrlondonccg.nhs.uk/media/45071/120-clccg-gb-part-i-westminster-joint-health-and-wellbeing-strategy-and-sign-off-processes-v2.pdf	Second time of citation, same as 6 above
Delivery Area 2: Eliminate unwarranted variation and improving LTC management	
1 Local analysis using population segmentation work from London Health Commission, and population projections from the Greater London Authority (GLA SHLAA 2014)	5th time of citing. Not an adequate reference
2 Cancer Research UK	Not an adequate reference: no document or page identified
3 http://www.hscic.gov.uk/catalogue/PUB02931/adul-psyc-morb-res-hou-sur-eng-2007-rep.pdf	This is a 274-page document giving data from 2007. The information referenced and its relevance to this STP is not clear.
4 Naylor C, Parsonage M, McDaid D et al (2012). Long-term conditions and mental health: the cost of co-morbidities. London: The Kings Fund	Incorrectly referenced, but available at: http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/long-term-conditions-mental-health-cost-comorbidities-naylor-feb12.pdf
5 Pan-London Atrial Fibrillation Programme	No precise reference given, but Google search for this highlights this report: http://imperialcollegehealthpartners.com/wp-content/uploads/2016/07/Medicines-Optimisation-PoP.pdf on the NW London programme, which gives a very different figure from that in the STP.
6 NHS London Health Programmes, NHS Commission Board, JSNA Ealing	We assume this must relate to file:///C:/Users/John/Downloads/JSNA_2014_-_Chapter_7.1_-_Strengthen_the_role_and_impact_of_ill-health_prevention_-_COPD_and_Asthma.pdf page 5: but the figures are from Ealing: is this typical for NW London?
7 Kings Fund, 2010	This is not a valid reference. No document or page identified.
8 Initial analysis following review of self-care literature	Not a valid reference: is this review published?
9 http://dvr.sagepub.com/content/13/4/268	Swedish study by Katarina Eeg-Olofsson, Björn Zethelius, Soffia Gudbjörnsdottir, Björn Eliasson, Ann-Marie Svensson and Jan Cederholm. Title: <i>Considerably decreased risk of</i>

	<i>cardiovascular disease with combined reductions in HbA1c, blood pressure and blood lipids in type 2 diabetes: Report from the Swedish National Diabetes Register</i> Relevance to NW London population not explained.
Delivery Ares 3: Achieve better outcomes for older people	
1 Office for National Statistics (ONS) population estimates	Not an adequate reference
2 Source: Index of Multiple Deprivation 2015 Income Deprivation Affecting Older People (IDAOP); Greater London Authority 2015 Round of Demographic projections, Local authority population projections - SHLAA-based population projections, Capped Household Size model	Not an adequate reference
3 https://www.england.nhs.uk/mentalhealth/wp-content/.../dementia-diagnosis-jan16.xlsx	Web link does not work: data to be found via http://tinyurl.com/hscpkra
4 SUS data - aggregated as at June 2016	This is not an adequate reference, but it appears this data is not published
Delivery Area 4: Improve outcomes for children & adults with mental health needs	
1 Tulloch et al., 2008	<i>The Costs, Outcomes and Satisfaction for Inpatient Child and Adolescent Psychiatric Services (COSI-CAPS) study</i> , a 229-page study, available at: http://www.rcpsych.ac.uk/pdf/COSI%20CAPS.pdf
2 Royal College of Psychiatrists, 2012	Not an adequate reference. Not found in text
3 http://www.publications.parliament.uk/pa/cm200506/cmhansrd/vo060124/debtext/60124-06.htm#60124-06_spm1	Not found in text. Relevance not clear: this link takes us to an extract from a Commons debate in January 2006 on a Green Paper on Welfare Reform from the then Labour government.
Delivery Area 5: Safe high quality and sustainable acute services	
1 Health & Wellbeing of NW London population (2016). Triborough Public Health Intelligence Team	Not an adequate reference. Not published. Used 4 times.
2 SUS Data. Oct 14-Sep15	As above: not a proper reference, data not published.
4 Shaping a Healthier Future Decision Making Business Case	Not an adequate reference: DMBC is 2,678 pages long
5 Shaping a Healthier Future Decision Making Business Case	Not an adequate reference: DMBC is 2,678 pages long
6 Shaping a Healthier Future Decision Making Business Case	Not an adequate reference: DMBC is 2,678 pages long
7 Shaping NW London High Level Analysis of Inpatient Radiology Diagnostic Imaging and Reporting. Data extracts from Trust RIS systems for all inpatient radiology imaging.	Not an adequate reference: data not published
7 <i>Review of Operational Productivity in NHS providers – June 2015</i> . An independent report for the Department of Health by Lord Carter of Coles.	Lord Carter's report makes many interesting points, but the claim made by the STP is not one of them.

Enablers: Estates	
1 ERIC Returns 2014/15	This can be found via http://digital.nhs.uk/catalogue/PUB18726
2 NHSE London Estate Database Version 5	Not a valid reference: is data published?
3 NW London CCGs condition surveys	Not a valid reference. Is this published?
4 Oxford University's School of Primary Care Research of general practices across England, published in <i>The Lancet</i> in April 2016	Reference is at: http://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736(16)00620-6.pdf The report also argues that: <i>"Our findings show a substantial increase in practice consultation rates, average consultation duration, and total patient-facing clinical workload in English general practice. These results suggest that English primary care as currently delivered could be reaching saturation point. Notably, our data only explore direct clinical workload and not indirect activities and professional duties, which have probably also increased."</i> It appears that both the STP and SaHF would further increase this pressure.
5 Lord Carter Report: https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-02-05/HCWS515/http://qna.files.parliament.uk/ws-attachments/450921/original/Operational%20productivity%20and%20performance%20in%20English%20NHS%20acute%20hospitals%20-%20Unwarranted%20variations.pdf	2 nd time of citation: as above (7): however this link does not work. Should be https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-02-05/HCWS515/
Enablers: Workforce	
1 Trust workforce: HEE NWL, eWorkforce data, 2015. Not published a) Social Care Workforce: Skills for Care, MDS-SC, 2015 b) GP Workforce: HSCIC, General and Personal Medical Services, England - 2004-2014, As at 30 September, 2015 c) Unpaid Carers: ONS, 2011 Census analysis: Unpaid care in England and Wales, 2011 and comparison with 2001, 2013 d) Pharmacy Data: Royal Pharmaceutical Society of Great Britain, Pharmacy Workforce Census 2008, 2009 Maternity Staff: Trust Plans, 2015. Not Published Paediatric Staff: Trust Plans, 2015. Not Published	a) General, national figures: no London or borough breakdown b) http://digital.nhs.uk/catalogue/PUB16934 c) http://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthcaresystem/articles/2011censusanalysisunpaidcareinenglandandwales2011andcomparisonwith2001/2013-02-15 d) Old figures
2 Conlon & Mansfield, 2015	Not an adequate reference to identify any study

	or data
3 Turnover Rates: HSCIC, iView, retrieved 23-05-2016	Access restricted to NHS
4 Vacancy Rates – NHS Trusts: HEE NWL, eWorkforce data, 2015. Not published Vacancy Rates – Social Care: Skills for Care, NMDS-SC, 2015	http://www.skillsforcare.org.uk/Document-library/NMDS-SC,-workforce-intelligence-and-innovation/NMDS-SC/State-of-2014-ENGLAND-WEB-FINAL.pdf
5 GP Ages: HSCIC, General and Personal Medical Services, England 2005-2015, as at 30 September, Provisional Experimental statistics, 2016	http://digital.nhs.uk/catalogue/PUB20503
6 GP Appointments: Nuffield Trust, Fact or fiction? <i>Demand for GP appointments is driving the 'crisis' in General Practice</i> , 2015 GP Practices: HSCIC, GPs, GP Practices, Nurses and Pharmacies, 2016 Providers: HSCIC, GPs, GP Practices, Nurses and Pharmacies, 2016 Skills for Care, nmds-sc online, retrieved 17-06-2016	http://www.nuffieldtrust.org.uk/node/3996 References very general: no connection established with STP draft
7 McKinsey, Optimising Bank and Agency Spend across NW London , 2015. Not published	
Enablers: Digital	
1 Local Digital Roadmap - NHS NW London (2016)	“A number of sessions have been held locally and through discussion collaboratively, to develop the detail of the draft Local Digital Roadmap for submission to NHS England by 30 June 2016.” (NW London CCG Collaboration July 2016 http://tinyurl.com/hz9sfqq) Is it published?

Appendix 3: Savings plans in the Draft STP V1.0

Delivery Area		Projected Gross saving (£m)	Investment (£m)	General description
DA1	A	2.5	0.2	Enabling and supporting healthier living
	B	6.5	3.3	Wider determinants of health interventions
	C	6.6	0.5	Addressing social isolation
	D	TBC	TBC	Helping children to get the best start in life
Total		15.6	4	
DA2	A	TBC	TBC	Improve cancer screening to increase early diagnosis and faster treatment
	B	TBC	TBC	Better outcomes and support for people with common mental health needs (with an initial focus on people with long term physical health conditions)
	C	12.4	2.0	Reduce variation by focusing on 'Right Care' priority areas
	D	6.1	3.4	Improve self-management and 'patient activation'
Total		18.5	5.4	
DA3	A	0.0	2.0	Improve market management and take a whole systems approach to commissioning
	B	25.3	0.0	Implement accountable care partnerships
	C	26.3	18.0	Implement new models of local services integrated care to consistent outcomes and standards
	D	64.9	20.0	Upgrade rapid response and intermediate care services
	E	9.6	7.4	Create a single discharge approach and process across NW London
	F	7.0	4.9	Improve care in the last phase of life
Total		133.1	52.3	
DA4	A	16.0	11.0	Implement the new model of care for people with serious and long term mental health needs, to improve physical, mental health and increase life expectancy
	B	5.0	TBC	Addressing wider determinants of health, e.g. employment, housing
	C	TBC	TBC	Crisis support services, including delivering the 'Crisis Care Concordat'
	D	1.8	TBC	Implementing 'Future in Mind' to improve children's mental health and wellbeing
Total		22.8	11.0	
DA5	A	TBC	TBC	Specialised Commissioning
	B	21.5	7.9	Deliver the 7 day services standards
	C	89.6	33.6	Configuring acute services
	D	143.4	4.1	NW London Productivity Programme
Total		254.5	45.6	
Grand total		444.5	118.3	
Total net saving		326.2		

Appendix 4: An examination of the evidence base for models of care cited in the 'Local Services Transformation document' (Paper 3.1), companion paper to Draft STP Version 1.0

Proposal	Claimed impact	Benefit (£m)	Benefit (beds equivalent)	Evidence	What is missing: requirements for implementation
New model of primary care to divert potential caseload from hospital	17,000 fewer A&E attendances; 2,979 fewer non-elective admissions	21.2	Close 117 beds	RCGP report 2014 on impact of improved GP access. JAMA study, USA, although relevance to British/North West London context not established.	Business plan for new model of primary care – and the resources to carry it out.
Case management for older patients	Increased patient satisfaction	no data on cash savings	no data on bed use	"Promising but mixed" evidence, primarily from USA. Relevance to British/North West London context not established. Kaiser Permanente/ EverCare experiment failed in UK 10 years ago.	Resources and funding to deliver individual case management to large and growing numbers of older people, led by Advanced Primary Nurses
Illness prevention scheme with drastic change to focus on patient engagement, prevention and integration of services	Ambitious claims of cash savings "if just 20% of the eligible population were affected by prevention programmes targeting diabetes and smoking"	as much as 38-41	no data on bed use	Report apparently commissioned by Healthy London Partnerships in 2016: could not be identified in web search (no reference given)	Key requirement is a proven and effective method of engaging with 'patients' who are not ill and convincing them to stop smoking for example. No methodology outlined, or costings for necessary resources or staff
Promote "self-management, self efficacy and behaviour change". Self care "thought to save an hour per day of GP time". A report on 5,000 GP consultations found 6% (300) could have been dealt with through self-care	17,568 fewer A&E attendances	2.4	0	"Evidence" cited by the Health Foundation 2011 (no reference given). Other evidence is claimed to come from the King's Fund 2010, Robinson et al 2001, Kennedy et al 2003, a Canadian trial reported by Bourbeau et al 2003, and the Primary Care Foundation (2003), None of the actual references is cited, making it impossible to check. Relevance of Canadian example to British/North West London context not established.	In our view it is likely that more patients will resort to A&E as result of not seeing GPs when needed. What possible argument is there for less? Issuing 400,000 patients with commercial version of software developed in US, to be used as an "activation tool" to "support tailoring and evaluation of self-care". Culture change for 400,000 patients to ensure they use it, and use it correctly. No costings available.

Integrated shared delivery model with Local Authorities and 3rd sector to tackle the social determinants of health: early priorities to include social isolation, housing and employment	1,021 fewer non-elective admissions	4.4	3	King's Fund estimate poor housing costs NHS £2.5bn/year. NHS Alliance 'Housing for Health' website. Mansfield (Notts) experiment, but relevance to London property prices and availability not proven. Other data mentioned from US, DWP, Rotherham Social Prescribing Pilot, Cornwall, Victor et al (2003), Buffel et al (no date). Again no references supplied, so could not be checked.	Capital, revenue and sufficient appropriate housing accommodation available to avert homelessness in context of North West London property prices, staff to manage discharge support. Resources required to address social isolation are not identified – task for social care? Employment is mentioned but there are no actual proposals for action to create jobs.
Agree the definition, scope and offer of Intermediate Care Services (both step up/rapid response and step down/discharge): review availability of home based care. Scale up to provide care that is cheaper but better.	38,165 fewer non-elective admissions	64.9	408	ImBC (still awaited) but evidence for this projection unclear. National Audit of Intermediate Care 2015 found 72% of people maintain their dependency level in intermediate care. 2014 report calculated costs. No references supplied.	Funding to cover a minimum of £1045 and a maximum of £5549 per episode of care for levels of services required. Sufficient suitable premises, appropriately qualified staff, management structure.
Roll out use of single needs-based discharge form and process to refer into community health care services provided in patients' homes. Expand this to include referrals to bedded community health services.	3,848 fewer non-elective admissions.	8.5	31	No external evidence cited. Apparently activity data from 2015/16 shows 35% of North West London non-elective admissions were to a cross-border hospital, with average length of stay 2.9 days longer than those within a CCG boundary.	No clear explanation offered for increased length of stay, or obvious action to avert it. But SaHF and STP plans to concentrate acute services in 5 hospitals will increase cross boundary admissions, and therefore increase costs.
Improve end of life care by better identification of patients in the Last Phase of Life, to avoid unnecessary admissions and treatment	2,300 fewer non-elective admissions	7	32	National End of Life Strategy, Gold Standard Framework and Nuffield Trust report Sept 2014. No full references supplied.	Additional services required have not been costed: Nuffield Trust estimate £653 per person. Difference between this and hospital treatment is expected to yield £7m cash savings.
Totals	34,568 fewer A&E attendances, 48,313 fewer non elective admissions	146.4-149.4	591		

NOTICE OF CONSIDERATION OF A KEY DECISION

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

NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE

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

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

KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 7 NOVEMBER 2016 AND AT FUTURE CABINET MEETINGS UNTIL MARCH 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 2016/17

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. 48 (published 7 October 2016)

KEY DECISIONS LIST - CABINET ON 7 NOVEMBER 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>
7 November 2016				
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	
		Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk		
Cabinet	7 Nov 2016	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	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
		Contact officer: Sue Spiller Tel: 020 8753 2483 sue.spiller@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 (other relevant documents may be submitted)
Cabinet	7 Nov 2016 Reason: Expenditure more than £100,000	<p>Notting Hill Housing Group Elmgrove Contract Direct Award</p> <p>Elmgrove is an extra care housing scheme for older residents. The contract is expiring on 30.11.16 and it's recommended the contract is extended while the Council implements a wider procurement strategy for extra care services.</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): Hammersmith Broadway</p> <p>Contact officer: Julia Copeland Tel: 0208 753 1203 julia.copeland@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>H&F Social Lettings Agency Report</p> <p>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.</p> <p>Through the agency, the Council could aim to compete with private letting agencies in the private rented sector through provision of 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>	<p>Cabinet Member for Housing</p> <p>Ward(s): All Wards</p> <p>Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
Cabinet	7 Nov 2016 Reason: Expenditure more than £100,000	Creation of an Education Hub The council supports the development of an Education Hub in association with Ark. 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): Wormholt and White City Contact officer: David Mcnamara David.Mcnamara@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	Transforming Services for Children and Young People with Special Educational Needs and Disabilities Business Case The business case outlines a programme of work that brings together a series of efficiency projects and invest to save proposals that and achieve a step change in how Services for Children and Young People with Special Educational Needs and Disabilities are delivered in Hammersmith & Fulham.	Cabinet Member for Children and Education Ward(s): All Wards Contact officer: John O'Sullivan John.O'Sullivan@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	7 Nov 2016 Reason: Expenditure more than £100,000	Maximising Children's Social Care Effectiveness' Business Case The business case outlines a programme of work that brings together a series of efficiency projects and invest to save proposals that support embedding of Focus on Practice and achieve a step change in how Children Social Care Services are delivered in Hammersmith & Fulham	Cabinet Member for Children and Education Ward(s): All Wards Contact officer: John O'Sullivan John.O'Sullivan@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.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Cabinet	7 Nov 2016 Reason: Expenditure more than £100,000	Travel Care Services 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 Ward(s): All Wards Contact officer: Rachael Wright-Turner Tel: 020 7745 6399 Rachael.Wright-Turner@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	7 Nov 2016 Reason: Income more than £100,000	Approval to make a direct award to provide parking enforcement services Approval was given to undertake a joint tendering exercise for RBKC and H&F to procure a shared enforcement agent service to recover outstanding PCN debts for RBKC and H&F for a term of seven years, with the option for a break clause in years three, and five to review performance. That approval be given to make a direct award to Marston Group Limited for a concessions contract to provide Enforcement Agent (Bailiff) Services for Penalty Charge Notice (PCN) Debt Recovery (on the same terms and conditions as the previous contract) from the date this decision takes effect but for no more than six months in the notional sum of £500,000.	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: Affects 2 or more wards	H&F Air Quality Commission Report The resident-led Air Quality Commission has completed its final report and submits the findings and recommendations to Cabinet for adoption by the Council.	Cabinet Member for Environment, Transport & Residents Services Ward(s): All Wards Contact officer: Peter Smith Tel: 020 8753 2206 peter.smith@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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)
Leader of the Council	Before 7 Nov 2016	<p>Lilla Huset</p> <p>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.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Cabinet Member for Finance	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Income more than £100,000		Ward(s): Hammersmith Broadway	

5 December 2016

Cabinet	5 Dec 2016	<p>2016/17 Corporate Revenue Monitor for Month 5</p> <p>2016/17 Corporate Revenue Monitor for Month 5</p>	Cabinet Member for Finance	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Income more than £100,000		Ward(s): All Wards	
Cabinet	5 Dec 2016	<p>CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2016/17 (SECOND QUARTER)</p> <p>This report provides a financial update on the Council's Capital Programme and seeks approval for budget variations as at the end of the second quarter, 2016/17.</p>	Cabinet Member for Finance	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
			Harris.Christopher@lbhf.gov.uk	considered.
Cabinet	5 Dec 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	5 Dec 2016 Reason: Expenditure more than £100,000	<p>ICT Transition - assuring service continuity phase 2</p> <p>ICT Transition - assuring service continuity phase 2</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Finance</p> <p>Ward(s): All Wards</p> <p>Contact officer: Jackie Hudson Tel: 020 8753 2946 Jackie.Hudson@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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	5 Dec 2016 Reason: Expenditure more than £100,000	<p>Banking Contract Direct Award</p> <p>The Council currently has a contract with Nat West (part of the Royal Bank of Scotland Group Plc - RBS) for banking services, the contract expires on the 31st March 2017.</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> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Halfield Jackman Halfield.Jackman@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 Dec 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> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <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.
Cabinet	5 Dec 2016 Reason: Affects 2 or more wards	<p>Emission Linked Parking Permits</p> <p>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</p> <p>PART OPEN</p> <p>PART PRIVATE</p>	<p>Cabinet Member for Environment, Transport & Residents Services</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Edward Stubbing Tel: 020 8753 4651 Edward.Stubbing@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
		<p>Part 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>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p>		
Cabinet	5 Dec 2016 Reason: Income more than £100,000	<p>FPN Charges</p> <p>It is proposed that officers fully utilise fixed penalties notices both for littering and waste dumping offences. This means being able to serve a littering notice on all litter, including up to 2 bags of waste. These notices, served under Section 88 of the Environmental Protection Act 1990. This would then give officers a range of fixed penalty notice powers to deal with any waste and litter ranging from £80 for a minor offence up to £400 for a much more serious deposit of waste. Built within this would be the early payment discounts as mentioned earlier.</p>	Cabinet Member for Environment, Transport & Residents Services Ward(s): All Wards Contact officer: Kathy May, Yvette McKinley Tel: 020 7341 5616, kathy.may@rbkc.gov.uk, Yvette.McKinley@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	<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>	Cabinet Member for Environment, Transport & Residents Services Ward(s): All Wards Contact officer: Nick Boyle Tel: 020 8753 3069 nick.boyle@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)
		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	5 Dec 2016 Reason: Income more than £100,000	Contract Award for a shared service Enforcement Agent (Bailliff) 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	5 Dec 2016 Reason: Expenditure more than £100,000	Strategy Report for Procurement of Professional Services Framework This report is a strategy report for the procurement of professional (Multi-disciplinary) services framework.	Cabinet Member for Housing Ward(s): All Wards Contact officer: Henrietta Jacobs Tel: 020 8753 3729 Henrietta.Jacobs@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Dec 2016 Reason: Expenditure more than £100,000	Economical Development Plan To inform members of progress against economic growth objectives and to request authority for spend of allocated Section 106 monies.	Cabinet Member for Economic Development and Regeneration Ward(s): All Wards Contact officer: Penny Davis-Heinz Tel: 020 8753 2596 Penny.Davis-Heinz@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
Cabinet	5 Dec 2016	Economic Development and Growth Strategy Economic Development and Growth Strategy	Cabinet Member for Economic Development and Regeneration	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
	Contact officer: Sally Agass, Beth Morgan Tel: 020 8753 4982, Tel: 020 8753 3102 Sally.Agass@lbhf.gov.uk, beth.morgan@lbhf.gov.uk			
Cabinet	5 Dec 2016	Commissioning & Procurement 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	
	Contact officer: Annabel Saunders, Labibun Nessa-O'Sullivan, Kevin Churchill Tel: 07739 317332, Annabel.Saunders@rbkc.gov.uk, Lnessa-O'Sullivan@rbkc.gov.uk, Kevin.Churchill@lbhf.gov.uk			
Cabinet	5 Dec 2016	School Kitchen Repair & Maintenance - Award Report The purpose of this report is to seek approval to award the contract for School Kitchen Repair and Maintenance contract across all three boroughs; The Royal Borough of Kensington & Chelsea (RBKC), The London Borough of Hammersmith and Fulham (LBHF); and Westminster City Council (WCC) 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 Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
	Contact officer: Annabel Saunders, Samantha Denny Annabel.Saunders@rbkc.gov.uk, Samantha.Denny@rbkc.gov.uk			

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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.		
Cabinet	5 Dec 2016 Reason: Expenditure more than £100,000	<p>Phase 1 Children's Centres and Youth Services</p> <p>Re-commissioning of Children Centres and Youth Services.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Children and Education</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Jonathan Stevens Tel: 07739 317 012 Jonathan.Stevens@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 Dec 2016 Reason: Affects 2 or more wards	<p>Tracking and Survey of NEETs and the Careers Information Advice and Guidance for young people with learning difficulties & disabilities</p> <p>Agree commissioning strategy and approach for the Tracking and Survey of NEETs in LBHF and the Careers information, advice and guidance for young people with learning difficulties</p>	<p>Cabinet Member for Children and Education</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Annabel Saunders Annabel.Saunders@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 Dec 2016 Reason: Expenditure more than £100,000	<p>Award report from Genito-Urinary Medicine</p> <p>The report recommends award to the winning tenderer following procurement process.</p> <p>PART OPEN PART PRIVATE</p>	<p>Cabinet Member for Health and Adult Social Care</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Gaynor Driscoll,</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

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.	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	and / or background papers to be considered.
Cabinet	5 Dec 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: Jane Martin Tel: 0208 753 5666 Jane.Martin@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	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	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)
		disclosing the information.		
Cabinet	5 Dec 2016 Reason: Expenditure more than £100,000	<p>Award of Tree Maintenance Contract</p> <p>Award of term contract for the maintenance of the council's trees along streets, in parks and housing estates and open spaces.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Ian Hawthorn, Gavin Simmons Tel: 020 8753 3058, ian.hawthorn@lbhf.gov.uk, gavin.simmons@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 Dec 2016 Reason: Expenditure more than £100,000	<p>Roll-out of Telephone Parking and Procurement of Replacement Pay and Display Machines – Approval for Consequential Direct Award of Contract for the Collection, Counting and Banking of Monies from Pay and display Machines to the Royal Borough of Kensi</p> <p>This report seeks approval to make a direct award to RBKC for a new 12-month contract to provide the collection, counting and banking of monies from pay and display machines on the existing terms and conditions at a cost of approximately £486,000 to be met from existing budgets.</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</p>	<p>Cabinet Member for Environment, Transport & Residents Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Mai Kebbay Tel: 0208 753 3275/4262 Mai.Kebbay@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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		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	5 Dec 2016 Reason: Expenditure more than £100,000	Riverside Studios / Queens Wharf highway improvements To seek approval for implementing highway improvement works funded by a developer under section 278 of the Highways Act, 1980	Cabinet Member for Environment, Transport & Residents Services Ward(s): Hammersmith Broadway Contact officer: Michael Masella michael.masell@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.
16 January 2017				
Cabinet	16 Jan 2017 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 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: 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.

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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 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: Expenditure more than £100,000		Ward(s): Palace Riverside	
Cabinet	16 Jan 2017	Innovations for Future Delivery of H&F Libraries Update on the Library Transformation programme including	Cabinet Member for Environment, Transport & Residents Services	A detailed report for this item will be available at least five working days before the date of the meeting and
	Reason: Affects 2 or more wards		Ward(s): All Wards	

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		I. alternative delivery model ii. Sweating the assets / commercialisation iii. Shared services update iv. commercial quick wins progress	Contact officer: Helen Worwood Tel: 0208 753 2601 helen.worwood@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	16 Jan 2017	Council Tax Base and Collection Rate 2017/18 and Delegation of the Business Rates Estimate This report contains an estimate of the Tax Base and Collection Rate for 2017/18 which is used in the calculation of the Band D council tax charge undertaken in the Revenue Budget Report for 2017/18. The report also seeks approval to delegate the determination of the business rates tax base for 2017/18 to the Strategic Finance Director in consultation with the Lead Member for Finance.	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: Budg/pol framework		Ward(s): All Wards Contact officer: Steve Barrett Tel: 020 8753 1053 Steve.Barrett@lbhf.gov.uk	
6 February 2017				
Cabinet	6 Feb 2017	2016/17 Corporate Revenue Monitor for Month 7 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		Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	
Cabinet	6 Feb 2017	Economic Development Priorities Refresh Programme funding for Economic Growth.	Cabinet Member for Economic Development and Regeneration	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards Contact officer: Jo Rowlands, Antonia Hollingsworth, Wendy Reade Tel: 020 8753 1313, Tel:	

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			020 8753 1698, Tel: 020 8753 4375 Jo.Rowlands@lbhf.gov.uk, Antonia.Hollingsworth@lbhf.gov.uk, wendy.reade@lbhf.gov.uk	considered.
Cabinet Full Council	6 Feb 2017	FOUR YEAR CAPITAL PROGRAMME 2017/18 TO 2020/21 This report presents the Council's four-year Capital Programme for the period 2017-21.	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.
	22 Feb 2017		Ward(s): All Wards	
Reason: Expenditure more than £100,000	Contact officer: Hitesh Jolapara, Christopher Harris Tel: 020 8753 2501, Tel: 020 8753 6440 hitesh.jolapara@lbhf.gov.uk, Harris.Christopher@lbhf.gov.uk			
Cabinet	6 Feb 2017	CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2016/17 (THIRD QUARTER) This report provides a financial update on the Council's Capital Programme and seeks approval for budget variations as at the end of the third quarter, 2016/17	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	
Contact officer: Hitesh Jolapara, Christopher Harris Tel: 020 8753 2501, Tel: 020 8753 6440 hitesh.jolapara@lbhf.gov.uk, Harris.Christopher@lbhf.gov.uk				
Cabinet Full Council	6 Feb 2017	REVENUE BUDGET AND COUNCIL TAX LEVELS 2017/18 This report sets the revenue budget and council tax for 2017/18	Leader of the Council	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	22 Feb 2017		Ward(s): All Wards	
Reason: Expenditure more than £100,000	Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk			

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Cabinet	6 Feb 2017	Seagrave Road - Highway Improvement Works To seek approval for the implementation of highway improvement works funded by a developer under a Section 278 agreement (Highways Act, 1980).	Cabinet Member for Environment, Transport & Residents Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): Fulham Broadway; North End	
6 March 2017				
Cabinet	6 Mar 2017	2016/17 Corporate Revenue Monitor for Month 8 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		Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	
27 March 2017				
Cabinet	27 Mar 2017	2016/17 Corporate Revenue Monitor for Month 9 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		Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	