

Cabinet

Agenda

MONDAY
16 JANUARY 2017
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
06 January 2017

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 (22 to 27) which are exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972, in that they relate to the financial or business affairs of any particular person, including the authority holding the information.

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

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

DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on non-exempt item numbers **4-18** 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 11 January 2017.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 18 January 2017**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Monday 23 January 2017 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 23 January 2017**.

Cabinet Agenda

16 January 2017

<u>Item</u>		<u>Pages</u>
1.	MINUTES OF THE CABINET MEETING HELD ON 5 DECEMBER 2016	1 - 12
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.	APPOINTMENT OF EXTERNAL AUDITORS	13 - 16
5.	COUNCIL TAX BASE AND COLLECTION RATE 2017/18 AND DELEGATION OF THE BUSINESS RATES ESTIMATE	17 - 26
6.	LONDON BOROUGH OF HAMMERSMITH AND FULHAM'S COUNCIL TAX SUPPORT SCHEME 2017/18	27 - 45

7.	MID-YEAR TREASURY REPORT 2016/17	46 - 55
8.	CORPORATE REVENUE MONITOR 2016/17 MONTH 7 - 31 OCTOBER 2016	56 - 96
9.	DIRECT AWARD OF CONTRACT FOR BANK SERVICES - BUSINESS CASE	97 - 103
10.	ENFORCEMENT AGENT CONTRACT	104 - 108
11.	GRADUATE PLACEMENT FRAMEWORK RELET	109 - 116
12.	RECRUITMENT ADVERTISING AND RELATED CONTRACTS	117 - 128
13.	GRANT OF A LONG LEASE TO LONDON DIOCESAN FUND IN RESPECT OF PRYOR'S BANK, SW6 3LA	129 - 136
14.	PROCUREMENT STRATEGY FOR DEBT MANAGEMENT AND BUSINESS INTELLIGENCE SERVICES	137 - 146
15.	SCHOOL KITCHEN REPAIR AND MAINTENANCE CONTRACT- CONTRACT AWARD FOR THE LONDON BOROUGH OF HAMMERSMITH AND FULHAM; THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA AND WESTMINSTER CITY COUNCIL	147 - 163
16.	COMMISSIONING HIGHER EDUCATION PARTNER FOR STEP-UP TO SOCIAL WORK PROGRAMME	164 - 176
17.	AGREEMENT FOR THE DIRECT AWARD OF DAY SERVICES FOR PEOPLE WITH DEMENTIA	177 - 197
18.	APPROVAL TO MAKE AN AWARD OF 2 CONTRACTS FOR PROVISION OF PARKING ENFORCEMENT AGENT (BAILIFF) SERVICES	198 - 204
19.	FORWARD PLAN OF KEY DECISIONS	205 - 223
20.	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.

21.	EXEMPT MINUTES OF THE CABINET MEETING HELD ON 5 DECEMBER 2016 (E)	
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- 22. DIRECT AWARD OF CONTRACT FOR BANK SERVICES - BUSINESS CASE: EXEMPT ASPECTS (E)**
- 23. GRADUATE PLACEMENT FRAMEWORK RELET: EXEMPT ASPECTS (E)**
- 24. RECRUITMENT ADVERTISING AND RELATED CONTRACTS: EXEMPT ASPECTS (E)**
- 25. GRANT OF A LONG LEASE TO LONDON DIOCESAN FUND IN RESPECT OF PRYOR'S BANK, SW6 3LA: EXEMPT ASPECTS (E)**
- 26. SCHOOL KITCHEN REPAIR AND MAINTENANCE CONTRACT- CONTRACT AWARD FOR THE LONDON BOROUGH OF HAMMERSMITH AND FULHAM; THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA AND WESTMINSTER CITY COUNCIL: EXEMPT ASPECTS (E)**
- 27. APPROVAL TO MAKE AN AWARD OF 2 CONTRACTS FOR PROVISION OF PARKING ENFORCEMENT AGENT (BAILIFF) SERVICES: EXEMPT ASPECTS (E)**

London Borough of Hammersmith & Fulham

Cabinet Minutes



Monday 5 December 2016

PRESENT

Councillor Michael Cartwright, Deputy Leader
Councillor Stephen Cowan, Leader of the Council
Councillor Sue Fennimore, Cabinet Member for Social Inclusion
Councillor Wesley Harcourt, Cabinet Member for Environment, Transport & Residents Services
Councillor Lisa Homan, Cabinet Member for Housing
Councillor Andrew Jones, Cabinet Member for Economic Development and Regeneration
Councillor Vivienne Lukey, Cabinet Member for Health and Adult Social Care
Councillor Max Schmid, Cabinet Member for Finance

ALSO PRESENT

Councillor Sharon Holder

90. MINUTES OF THE CABINET MEETING HELD ON 7 NOVEMBER 2016

RESOLVED:

That the minutes of the meeting of the Cabinet held on 7 November 2016 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

91. APOLOGIES FOR ABSENCE

Apologies for Absence were received from Councillor Sue Macmillan and Councillor Ben Coleman.

92. DECLARATION OF INTERESTS

There were no declarations of interest.

93. CORPORATE REVENUE MONITOR 2016/17 - MONTH 5

RESOLVED:

1. To note the General Fund and Housing Revenue Account month 5 forecast revenue outturn variances.
2. To note the action plans amounting to **£0.842 million**, seeking to address the General Fund gross overspend forecast variance of **£3.333 million**. All overspending departments to respond with further actions to reduce the net forecast overspend of **£2.491 million**.

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.

94. CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS 2016/17 - SECOND QUARTER

RESOLVED:

To approve proposed technical budget variations to the capital programme totalling **£18.3m** (summarised in Table 1 and detailed in Appendix 2).

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.

95. ICT TRANSITION - ASSURING SERVICE CONTINUITY PHASE 3 - TRANSFORMATION OF TELEPHONY AND NETWORK SERVICES

RESOLVED:

That approval be given to the purchase of new telephone and network lines with associated managed services from BT, as described in section 1.6 of this report, for a one off cost of approximately £449,000. In addition to modernising the equipment, this will enable a saving of at least £187,000 per year against an existing budget of c.£748,000.

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.

96. SUBSCRIPTIONS/AFFILIATIONS FOR EXTERNAL ORGANISATIONS 2017/18

RESOLVED:

1. That delegated authority be given to the Cabinet Member for Finance to renew the subscription to London Councils for 2017/18.
2. That delegated authority be given to the Cabinet Member for Finance to approve the 2017/18 contribution to the London Boroughs Grant Scheme.
3. That delegated authority be given to the Cabinet Member for Finance to renew the subscription to the Local Government Association in 2017/18.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

97. COMMISSIONING AND PROCUREMENT STRATEGY FOR THE TRANSLATION AND INTERPRETING SERVICE

RESOLVED:

1. That authority be given to run a competitive call off from the Crown Commercial Service (CCS) Language Services Framework Agreement (RM1092) Lot 1, with a view to awarding a contract to one provider for a period of three (3) years and 6 month, with an option to extend for a further two (2) years (a maximum of five years (5) 6 months). The anticipated total lifetime contract value, depending on usage and demand, is approximately £962,000 with a tolerance of +/- 20% dependent on procurement prices and usage (based on known 2015/16 actual usages);
2. That the contract award decision be delegated to the Cabinet Member for Children and Education and/or the Cabinet Member for Social Inclusion.

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.

98. EXTRA CARE PROCUREMENT & COMMISSIONING STRATEGY

RESOLVED:

1. That the Extra Care Housing Procurement Strategy attached as Appendix A to the exempt report, be approved.
2. That the development of a Dynamic Purchasing System which the Council can use to call-off care and support Extra Care Housing service contracts during an initial ten-year Dynamic Purchasing System period, with an option to extend for a further five years, be approved.
3. That approval be given for the delegation of the authority to officers to appoint the tenderers on to the Dynamic Purchasing System that pass the required selection criteria outlined in section 10 of Appendix A of the report.
4. That the utilisation of the Dynamic Purchasing System to undertake a mini-competition for the care and support contract for the new Extra Care Housing scheme at White City, 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.

99. DEVELOPING THE JOINT HEALTH AND WELLBEING STRATEGY 2016-2021

RESOLVED:

That the Hammersmith and Fulham's Joint Health and Wellbeing Strategy 2016-21 which has been endorsed by the Health and Wellbeing Board and the Health, Adult Social Care and Social Inclusion Policy and Accountability Committee, 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.

100. EMISSION LINKED PARKING PERMITS

RESOLVED:

1. That Hammersmith and Fulham offer free resident parking permits for fully electric vehicles (vehicles without any form of combustion engine).
2. That the introduction of a sliding scale of permits based on the Euro emission standard of the vehicle for all resident permits, be agreed. This is detailed in Option 3 of section 5. It would mean vehicles are categorised based on a range of emissions including Co2, NOx and Particulate Matter.
3. That the introduction of a separate Diesel surcharge to all non-Euro 6 diesel vehicles who obtain a resident permit, be agreed. This surcharge

is introduced as a measure to encourage consumers to consider the environmental impact of their vehicle choices and in recognition of the substantially higher amounts of NOx and PM that diesel engines produce.

4. That both the new permit structure and the diesel surcharge are introduced in April 2016. Both of these measures will include predetermined charges which will increase over the first four years in order to allow adequate time for consumers to adjust their vehicle types.

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.

101. TFL FUNDED INTEGRATED TRANSPORT INVESTMENT PROGRAMME 2017/18

RESOLVED:

1. That approval be given to carry out feasibility design and consultation on the 20mph extension project and 'new projects' at a total cost of £97,500 (approximately 15% of the total capital project cost, and all charged to the capital project)
2. That authority be delegated to the Cabinet Member for Environment, Transport and Residents Services in consultation with the Director of Transport and Highways to approve the implementation of the 20mph extension project and 'new projects' totalling £552,500, subject to a favourable outcome of public engagement and consultation.
3. That approval be given to allocate £571,000 to the 'completion projects' programme as set out in paragraph 4.4 and that authority be delegated to the Cabinet Member for Environment, Transport and Residents Services in consultation with the Director of Transport and Highways to approve the implementation of the 'completion projects', subject to favourable outcome of public engagement and consultation.
4. That approval be given to allocate £50,000 to enhance the TfL traffic signal modernisation programme in 2017/18 and £75,000 to enhance the council's own carriageway and footway planned maintenance programme in 2017/18.

5. That approval is given to deliver the Smarter Travel programme at a cost of £265,000.
6. That approval be given to allocate £75,000 to develop the council's 2018/19 annual spending submission and LIP3 (charged to revenue) and to utilise £75,000 to contribute match funding for the Mayor's Air Quality Fund 2 as set out in paragraph 4.7.
7. That authority be delegated to the Cabinet Member for Environment, Transport and Residents Services in consultation with the Director of Transport and Highways to approve the implementation of the Local Transport Fund programme of £100,000.

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.

102. ROLL-OUT OF TELEPHONE PARKING AND PROCUREMENT OF REPLACEMENT PAY AND DISPLAY MACHINES

RESOLVED:

1. To approve the extension of the contract that LBHF and RBKC have with Metric Group Ltd is extended for up to 24 months commencing 1st September 2016 at an annual cost of £373,014 which will be met from existing budgets.
2. To waive the competition requirements of the Council's Contracts Standing Orders and make a direct award a contract to the Royal Borough of Kensington and Chelsea for the provision for the collection, counting and banking of monies from pay and display machines on the existing terms and conditions for a period of up to 12 months commencing on 1 September 2016 at a cost of up to £486,000 to be met from existing budgets.

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.

103. RIVERSIDE STUDIOS AND QUEENS WHARF, QUEEN CAROLINE STREET & CRISP ROAD - SECTION 278 HIGHWAY WORKS

RESOLVED:

That approval be given to the implementation and cost of the section 278 highway works for the Riverside Studios and Queens Wharf, Queen Caroline Street and Crisp Road 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.

104. SEAGRAVE ROAD, RICKETT STREET AND LILLIE ROAD - SECTION 278 HIGHWAY WORKS

RESOLVED:

That approval be given to the implementation and cost of the section 278 highway works for Seagrave Road, Rickett Street and Lillie Road.

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.

105. IMPROVING PRIVATE RENTING

RESOLVED:

1. That the proposals and the timetable, be approved.
2. That the procurement of an on-line IT licensing system, be approved.
3. That the expenditure of £210,000 to set up licensing including project management, procurement of IT and recruitment as part of an invest to save bid, be approved.
4. That delegated authority be given to officers in consultation with the Cabinet Member for Housing to implement Option 1 and future procurement.

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.

106. FORWARD PLAN OF KEY DECISIONS

The Key Decision List was noted.

107. 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.]

108. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 7 NOVEMBER 2016 (E)

RESOLVED:

That the minutes of the meeting of the Cabinet held on 7 November 2016 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

109. ICT TRANSITION - ASSURING SERVICE CONTINUITY PHASE 3 - TRANSFORMATION OF TELEPHONY AND NETWORK SERVICES : EXEMPT ASPECTS (E)

RESOLVED:

That report be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

110. COMMISSIONING AND PROCUREMENT STRATEGY FOR THE TRANSLATION AND INTERPRETING SERVICE : EXEMPT ASPECTS (E)

RESOLVED:

That Appendix 1 be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

111. EXTRA CARE PROCUREMENT & COMMISSIONING STRATEGY : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendations in the exempt part of the report, be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

112. ROLL-OUT OF TELEPHONE PARKING AND PROCUREMENT OF REPLACEMENT PAY AND DISPLAY MACHINES : EXEMPT ASPECTS (E)

RESOLVED:

That the report be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

113. EMISSION LINKED PARKING PERMITS : EXEMPT ASPECTS (E)

RESOLVED:

That Appendix 1 be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

Meeting started: 7.00 pm
Meeting ended: 7.04 pm

Chair

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>16 JANUARY 2017</p>	
APPOINTMENT OF EXTERNAL AUDITORS	
Report of the Leader of the Council – Councilor Stephen Cowan	
Open Report	
Classification: FOR DECISION	
Key Decision: Yes	
Wards Affected: ALL	
Accountable Director: Hitesh Jolapara, Strategic Finance Director	
Report Author: Christopher Harris, Head of Corporate Accountancy and Capital	Contact Details: Tel: 0208 753 6440 Email: christopher.harris@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report outlines the approach for appointing the Council's External Auditors further to the end of the transitional arrangements which have been in place since the end of the Audit Commission. It was considered by the Audit, Pensions and Standards Committee on 7th December 2017 who have recommended that Council opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

2. RECOMMENDATIONS

- 2.1. To approve that the Council opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

3. REASONS FOR DECISION

- 3.1. Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to opt-in to the new appointment arrangements must be made by Full Council. The PSAA have requested that any decision is made by February 2017.

4. INTRODUCTION AND BACKGROUND

- 4.1. The Council's External Auditors were previously appointed by the Audit Commission. Following the demise of the Commission, transitional appointment arrangements were put in place running up to and including the audit of the financial year 2017/18. The Council must ensure it has arrangements in place for the appointment of External Auditors for the financial year 2018/19 onwards.
- 4.2. The Local Audit and Accountability Act 2014 requires authorities to either opt in to the appointing person regime – i.e. as part of a sector-wide consortium - or to establish an auditor panel and conduct their own procurement exercise.
- 4.3. In July 2016 the Department for Communities and Local Government (DCLG) confirmed Public Sector Audit Appointments (PSAA) as the appointing person for this purpose.
- 4.4. The PSAA was originally established to operate the transitional arrangements following the closure of the Audit Commission and is a company owned by the Local Government Association's Improvement and Development Agency (IDeA). It is the body to whom existing External Audit contracts were novated following the end of the Audit Commission.
- 4.5. The Council must now decide to opt into the PSAA arrangements or undertake its own audit selection and procurement process.
- 4.6. It is recommended that Council opts in to the appointing person arrangements made by PSAA for the appointment of external auditors.
- 4.7. Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to opt in must be made by Full Council. The PSAA have requested that any decision is made prior to February 2017.

5. REASONS FOR THE PROPOSED DECISION

- 5.1. It is likely that a sector-wide procurement conducted by PSAA will produce significantly better outcomes for the Council than any self-determined procurement. Use of the PSAA will:
 - Be less resource intensive than establishing an auditor panel and conducting our own procurement.
 - Harness the bulk buying power of the sector led procurement, leading to reduced audit fee.
 - Harness the expertise vested in the PSAA. The PSAA has wide support across local government.
- 5.2. The advantages of a sector led body procurement are:
 - Assure timely auditor appointments
 - Manage independence of auditors
 - Secure highly competitive prices
 - Save on procurement costs
 - Save time and effort needed on auditor panels

- Focus on audit quality
- Operate on a not for profit basis and distribute any surplus funds to scheme members.

5.3. This report was considered by the Audit, Pension and Standards Committee on 7th December 2016 who recommended that the Council opt into the PSAA arrangements.

6. EQUALITY IMPLICATIONS

6.1. There are no direct equalities implications in relation to this report.

7. LEGAL IMPLICATIONS

7.1. There are no direct legal implications in relation to this report.

7.2. Implications verified/completed by: David Walker, Principal Solicitor, Commercial and Corporate Property, 020 7361 2211.

8. FINANCIAL IMPLICATIONS

8.1. Recent Audit fees are shown below:

Year	Audit fee (£'000)
2015/16	164
2014/15	216
2013/14	216
2012/13	216

Source: Statement of Accounts, excludes grant claim fees

The most recent audit fee reflects the assumed future budgets for this area.

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

9. IMPLICATIONS FOR BUSINESS

9.1. External Audit underpins the Council's arrangements for sound financial control and achieving value for money. This will encompass a number of areas likely to impact on local businesses including:

- Ensuring that arrangements are in place to pay suppliers in a timely and accurate manner;
- Ensuring transparency in the Council's financial information and processes enabling local taxpayers and businesses to hold the Council to account;
- Ensuring that the Council's arrangements for procurement are fair, accessible, and equitable.

9.2. Implications completed by: Antonia Hollingsworth, Principal Business Investment Officer. Tel: 020 8753 1698

10. RISK MANAGEMENT


- 10.1. Auditing is a cornerstone of good public sector governance. By providing unbiased, objective assessments of whether public resources are managed responsibly and effectively to achieve intended results, auditors help councils achieve accountability and integrity, improve operations, and instil confidence among local citizens and taxpayers. The public sector auditor's role supports the governance responsibilities of oversight, insight, and foresight. Oversight addresses whether public sector entities are doing what they are supposed to do and serves to detect and deter public corruption. Insight assists decision-makers by providing an independent assessment of public sector programs, policies, operations, and results. Foresight identifies trends and emerging challenges. Auditors use tools such as financial audits, performance audits, investigations, and advisory services to fulfil each of these roles.
- 10.2. An effective public sector audit activity strengthens governance by materially increasing citizens' ability to hold their public sector entity accountable. Auditors perform an especially important function in those aspects of governance that are crucial for promoting credibility, equity, and appropriate behaviour of public sector officials, while reducing the risk of public corruption. Therefore, it is crucial that audit activities are configured appropriately and have a broad mandate to achieve these objectives. The audit activity must be empowered to act with integrity and produce reliable services, although the specific means by which auditors are appointed vary. The proposed route seeks to deliver the best possible service at least cost to the local taxpayer, the recommended route therefore is in accord with management of risk associated with Market Testing and Delivering Statutory Duties both expressed on the Council's Risk Register.
- 10.3. Implications completed by: Michael Sloniowski, Shared Services Risk Manager ext. 2587

11. PROCUREMENT IMPLICATIONS

- 11.1. Use of the PSAA framework represents an efficient and sensible route for the procurement of external audit. In establishing the framework of external audit providers, the PSAA will need to comply with the requirements of the Public Contracts Regulations 2015.
- 11.2. Implications verified/completed by: John Francis, Interim Head of Procurement (Job-Share) - 020 8753 2582.

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

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

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>16 JANUARY 2017</p>	 <p>h&f hammersmith & fulham</p>
<p>COUNCIL TAX BASE AND COLLECTION RATE 2017/2018 AND DELEGATION OF THE BUSINESS RATES ESTIMATE</p>	
<p>Report of the Cabinet Member for Finance: Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Hitesh Jolapara Strategic Finance Director</p>	
<p>Report Author: Steve Barrett Head of Revenues and Benefits</p>	<p>Contact Details: Tel: 020 8753 1053 E-mail: steve.barrett@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 This report contains an estimate of the Council Tax Collection rate and calculates the Council Tax Base for 2017/18.
- 1.2 The Council Tax base will be used in the calculation of the Band D Council Tax undertaken in the Revenue Budget Report for 2017/18.
- 1.3 The proposed Council Tax Base for 2017/18 of 75,938 is an increase of 1,897 on the figure agreed for 2016/17 of 74,041.
- 1.4 Based on the 2016/17 Band D charge of £727.81 the increase in the tax base will result in an increased income of £1.38m
- 1.5 The recommendations contained in the Council Tax Support 2017/18 will need to be approved prior to those contained in this report. This is because they are included in the calculation of the Band D Council Tax in section 8.3 below.
- 1.6 To delegate authority to the Cabinet Member for Finance, in consultation with the Strategic Finance Director, to determine the business rates tax base for 2017/18 as set out in section 11 of this report

2. RECOMMENDATIONS

- 2.1 To approve the following recommendations for the financial year 2017/18:
 - (i) That the estimated numbers of properties for each Valuation Band as set out in this report be approved.
 - (ii) That an estimated Collection rate of 97.5% be approved.
 - (iii) That the Council Tax Base of 75,938 Band “D” equivalent properties be approved
 - (iv) To delegate authority to the Cabinet Member for Finance, in consultation with the Strategic Finance Director, to determine the business rates tax base for 2017/18.

3. BACKGROUND

- 3.1 Under Section 33(1) of the Local Government Finance Act 1992 and The Local Authorities (Calculations of Council Tax Base) (England) Regulations 2012, the Council (as billing authority) is required to calculate its Council Tax Base. This comprises both the estimated numbers of properties within each Valuation band plus the Council’s estimate of its collection rate for the coming financial year.

- 3.2 For 2016/17 the Council approved a Council tax Base of 75,939 Band D equivalent dwellings, and an estimated Collection Rate of 97.5%, which resulted in a tax base of 74,041.
- 3.3 Under Section 11A of the Local Government Finance Act 1992, Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012 and Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 the Council reduced discounts for both Second Homes and Unoccupied and Unfurnished dwellings to 0% with effect from 2013/14 and subsequent years until revoked.
- 3.4 Under Section 11B of the Local Government Finance Act 2012 the Council introduced the Council Tax Empty Homes Premium with effect from 1 April 2014 and subsequent years until revoked. This increases the charge on dwellings that have been unoccupied and substantially unfurnished for more than two years to 150% of the council tax that would be payable if the dwelling were occupied by two adults and no discounts were applicable.
- 3.5 Cabinet will also be required to approve the recommendations in the Council Tax Support Scheme 2017/18 report, prior to the recommendations in this report, as they are reflected as Band "D" equivalents in the Council's Tax base calculations in section 8.3 below.

4. DISCOUNTS

4.1 Second Homes

4.1.1 There are some 2,246 second homes in the borough. The Council does not offer a discount on second homes which adds 2,662 Band "D" equivalents to the tax base for 2017/18. These discounts are included in Section 7.3 below.

4.1.2 Based upon 2016/17 Council Tax levels this generates income to the Council of £1.9m. This income is allowed for within the Council's Medium Term Financial Strategy. Our preceptor, the GLA, also benefits from the reduction in the discount.

4.2 Empty Properties

4.2.1 There are some 513 empty (unoccupied and unfurnished) properties in the borough. The Council does not offer a discount for empty properties which adds an additional 628 Band "D" equivalents to the tax base for 2017/18.

4.2.2 Based upon 2016/17 Council Tax levels this generates income to the Council of £0.5m. This income also directly benefits the GLA.

5. EMPTY HOMES PREMIUM

- 5.1 There are some 74 properties in the borough that have been empty for more than two years. The effect of charging a 50% premium on these properties adds an additional 43 Band "D" equivalents to the taxbase for 2017/18. These premiums are included in Section 7.3 below
- 5.2 This equates to additional income for the Council (net of preceptors) of approximately £31k (based on the 2016/17 Band D Council Tax).

6. COUNCIL TAX SUPPORT

- 6.1 Under Council Tax Support, Hammersmith & Fulham and the GLA absorb the full cost of the scheme, which mirrors the previous council tax benefit arrangements.
- 6.2 For 2016/17 the Council has provided for a total of £11.9m in Council Tax Support discounts. This equates to 11,846 band "D" equivalents based on 2016/17 Council Tax levels.
- 6.3 The tax base regulations require the cost of the scheme to be treated as a discount and deducted from the Council's tax base calculation in section 8.3.

7. VALUATION BAND PROPERTIES

- 7.1 The latest information on the number of properties within each valuation band is contained within a return (CTB1), which the Council provided to the DCLG on 14 October 2016.
- 7.2 This return reflected the actual number of properties shown in the Valuation List as at 12 September 2016 and the Council's records as at 3 October 2016.
- 7.3 A detailed analysis of the properties in each valuation band can be summarised as follows. There are a total of 86,793 dwellings on the list with some 28,265 properties estimated to receive a single persons discount. The total Band "D" equivalent is approximately 89,621.4 properties.

Band	Band Size	Total Dwellings	Total after Discounts, Exemptions and Disabled Relief	Ratio	Band "D" Equivalents
A	Values not exceeding £40,000	3,803	2,932.8	6/9	1,955.2
B	Values exceeding £40,000 but not exceeding £52,000	6,361	4860.8	7/9	3,780.6
C	Values exceeding £52,000 but not exceeding £68,000	14,237	12,116.0	8/9	10,769.8
D	Values exceeding £68,000 but not exceeding £88,000	24,532	21,806.5	9/9	21,806.5
E	Values exceeding £88,000 but not exceeding £120,000	15,364	14,050.0	11/9	17,172.2
F	Values exceeding £120,000 but not exceeding £160,000	9,217	8,550.3	13/9	12,350.4
G	Values exceeding £160,000 but not exceeding £320,000	10,965	10,385.8	15/9	17,309.7
H	Values exceeding £320,000	2,314	2,238.5	18/9	4,477.0
		86,793	76,940.7		89,621.4

8. ADJUSTMENTS TO THE VALUATION LIST

- 8.1 The above table shows the valuation band position at 12 September 2016 but the Council is also required to take into account the Council Tax Support Scheme and any other likely changes during the financial year 2016/17. Therefore the following adjustments need to be considered:

- (i) New Properties
There are likely to be a number of new properties, conversions etc. added to the valuation list at some point during the year. There are approximately 499 units currently under construction on various sites in the Borough that will be added to the tax base sometime during 2017/18. It is estimated after allowing for different completion dates that this will equate to an additional 502 Band 'D' equivalents. In addition the Council is undertaking a business intelligence project to identify properties that are not currently on the valuation list. It is estimated that this will add a further 138 Band D equivalent properties. Overall the allowance for new properties is 640 Band D properties.
- (ii) Banding Appeals
There have been over 10,000 appeals lodged with the valuation office in respect of initial Council Tax bandings. There are now only a small number unsettled so it is not proposed to make any adjustments for these.
- (iii) Single Person Discounts
The council undertakes a review of single person discounts being awarded to taxpayers each year. The next review will be commenced in June 2017 and based on previous reviews it is estimated that a further 1,169 discounts will be removed which will add an additional 292 Band "D" equivalents to the tax base for 2017/18.
- (iv) Student Exemptions
Dwellings wholly occupied by students are exempt from Council Tax. The projected Council Tax base needs to be adjusted to allow for students that have yet to prove their exemption for the new academic year. It is estimated that an adjustment of 822 Band "D" equivalents is required.
- (v) Council Tax Support
The cost of the scheme equates to 11,846 band "D" equivalents, based on 2016/17 Council Tax levels, which now have to be deducted from the tax base for 2017/18. This is less than the deduction of 12,241 Band D equivalents made in 2016/17. This is due to a reduction in the number of claimants applying for a discount and the impact of the 1.9% overall reduction in 2016/17 Council Tax.

8.2 The Council is required to set its Tax Base on the total of the relevant amounts for the year for each of the valuation bands shown or is likely to be shown for any day in the year in the authority's valuation list.

8.3 Taking into account the latest information from the CTB1 return to the DCLG and the proposed adjustments, Council is requested to approve the estimated numbers of properties for each valuation band as set out in the following table:

Band	Band "D" Equivalent Actual September 2016	Adjustments for New Properties	Adjustments for Student Exemptions	Adjustments for Single Person Discounts	Adjustments for Council Tax Support	Revised Band "D" Equivalents 2017/18 Forecast
A	1,955.2	0	-41	13	-578	1,348.9
B	3,780.6	34	0	24	-1,220	2,618.3
C	10,769.8	106	-133	58	-2,759	8,042.0
D	21,806.5	193	-261	89	-3,619	18,208.8
E	17,172.2	74	-180	49	-2,160	14,955.4
F	12,350.4	114	-142	27	-968	11,381.2
G	17,309.6	40	-63	28	-522	16,793
H	4,477.0	79	-2	4	-20	4,537
	89,621.3	640	-822	292	-11,846	77,885.2

9. COLLECTION RATE

- 9.1 The Council is also required to estimate its Collection Rate for 2017/18 at the same time as arriving at the estimated number of properties within the Tax Base. In arriving at a percentage Collection Rate for 2017/18, the Council should take into account the likely sum to be collected, previous collection experience and any other relevant factors.
- 9.2 The actual sum to be collected from local Council Tax payers cannot be finally determined until the preceptors requirements are known and the Council has approved its budget. The Council therefore has to make an estimate of the sums to be collected locally making estimated allowance for sums from Council Tax Support and write-offs/non-collection.
- 9.3 The actual collection rate for 2016/17 achieved to the end of October 2016 is 65.1%, comprising cash collection of £50.5m and Council Tax Support of £11.9m. It is estimated that a further £24.4m (31.4%) will need to be collected by 31 March 2017 and £0.8m (1%) thereafter.
- 9.4 Collection performance has been calculated in order to comply with DCLG performance indicator calculations. Latest calculations for 2015/16 and 2016/17 show that the current collection rate can be continued for 2017/18. It is therefore suggested that the collection rate for 2017/18 is maintained at 97.5%.

10. THE TAX BASE

- 10.1 Under Section 33(1) of the Local Government Finance Act 1992 and the Regulations, the Council's tax base is calculated by multiplying the estimated number of Band "D" equivalents by the estimated collection rate.
- 10.2 Based on the number of Band "D" equivalents in the table in paragraph 8.3 above and the estimated collection rate in paragraph 9.4 above, the calculation is as follows:-

(Band D equivalents) x (Collection Rate) = (Tax Base)			
77,885	x	97.5%	= 75,938

11. BUSINESS RATES TAXBASE

- 11.1 The Local Government Finance Act 2012 made it obligatory for authorities to formally calculate the estimated level of business rates (the business rates tax base) it anticipates collecting for the forthcoming financial year and passing this information to precepting authorities by 31 January. The Government will continue to set the tax rate (known as the non-domestic multiplier).
- 11.2 Under the Rates Retention Scheme, established from 2013/14, billing authorities have to estimate their business rates tax base so that the resources available to them (30% for Hammersmith and Fulham), can be determined. 20% of the resources are paid to the Greater London Authority and 50% to the Government
- 11.3 The tax base is based on data from the Valuation Office with local allowance for the appropriate level of business rates appeals, any discretionary reliefs and any forecast growth. This information is pulled together into a government return (NNDR1). The detailed guidance on completing the NNDR1 is not likely to be issued until just before Christmas. This guidance will include allowance for any changes to the business rates system that might be announced by the Chancellor in the Autumn Statement. Given that the return has to be submitted by 31 January it is recommended that the responsibility for setting these figures be delegated to the Cabinet Member for Finance, in consultation with the Strategic Finance Director.
- 11.4 A business rates revaluation is effective from 1 April 2017. The initial data provided by the Valuation Office indicates a 36% headline increase in rateable values. This increase is not uniform and depends on the type of business and location within the borough. Transitional relief arrangements will apply but details are not yet confirmed. The impact of the revaluation will further complicate the preparation of the NNDR1. In particular the level of appeals is likely to increase and the Council will need to make sure it has set aside an adequate provision.

12 RISK MANAGEMENT

- 12.1 This is a statutory process and any risks are monitored through the Council's MTFFS process.

13. EQUALITY IMPLICATIONS

- 13.1 There are no equality implications in this report.

14. FINANCIAL AND RESOURCES IMPLICATIONS

- 14.1 The Tax Base is set by 31 January each year, as outlined in the Local Government Finance Act 1992. It is used within the overall Council Tax and budget setting process, due to be reported to Budget Council on 24 February 2017.

- 14.2 The proposed Council Tax Base for 2017/18 of 75,938 is 1,897 Band D equivalents higher than the 74,041 agreed for 2016/17. The main reasons for this change are set out below:

	Band D Change
Increase in the tax base due to new non exempt properties	1,172
Reduction in Single Persons Discounts	379
Reduction in Council Tax Support scheme discounts	395
Gross Total Change	1,946
Adjusted for Collection rate of 97.5%	-49
Total change	1,897

- 14.3 Based on 2016/17 Council Tax levels the increase in the taxbase will generate additional income of £1.38m for Hammersmith and Fulham and £0.52m for the Greater London Authority
- 14.4 The cost of the local council tax support scheme is based on current Regulations. No allowance is made for potential government welfare reforms due to uncertainty on what changes might be made. This will be treated as a risk within the Medium Term Financial Strategy Process.
- 14.5 The 2017 business rates revaluation is expected to negatively impact the Council. We will pay extra rates on our properties and will need to set aside extra sums for ratepayer appeals. The Council gets no benefit from the extra income generated, from the 36% revaluation uplift, as it is redistributed to other parts of the country. Figures are draft and clarity is awaited on both transitional arrangements and how the local rates retention scheme will be adjusted. Appropriate adjustments will be made to the Medium Term Financial Strategy when more information is known.

Implications verified/completed by: Andrew Lord, Head of Finance (Budget Planning and Monitoring) Tel: 020 8753 2531


15. LEGAL IMPLICATIONS

- 15.1 The Council is under a statutory duty to set the Council Tax for the forthcoming financial year and to make a budget. This report forms part of that process. The Council is obliged, when making its budget, to act reasonably and in accordance with its statutory duties, the rules of public law and its general duty to Council Tax payers.
- 15.2 The basic amount of Council Tax must be calculated in accordance with Section 31B of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012.
- 15.3 The Council Tax base has been calculated in accordance with the Act and the Regulations. The estimated collection rate to 97.5% is a reasonable and realistic estimate.

Implications verified by: Rhian Davies, Chief Solicitor, Shared Legal Services, Tel: 020 7641 3630.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS**

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

London Borough of Hammersmith & Fulham CABINET 16 JANUARY 2017		 hammersmith & fulham
LONDON BOROUGH OF HAMMERSMITH AND FULHAM'S COUNCIL TAX SUPPORT SCHEME 2017/18		
Report of the Cabinet Member for Finance – Councillor Max Schmid		
Open Report		
Classification - For Decision		
Key Decision: Yes		
Wards Affected: all		
Accountable Director: Belinda Black – Director of Resident and Business Satisfaction		
Report Author: Paul Rosenberg Head of Operations, H&F Direct		Contact Details: Tel: 020 8753 1525 E-mail: paul.rosenberg@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. In April 2013, council tax benefit (CTB) ended and local authorities had to introduce their own scheme to help their residents who need help paying their council tax.
- 1.2. The Council has always agreed a scheme that worked as though the old council tax benefit regulations were still in place (previously known as “the default scheme”) meaning no one in the borough was worse off.
- 1.3. Originally the funding was based on what we paid in council tax benefit less 10%. However, now, the funding forms part of the Revenue Support Grant allocation received at the Local Government Finance Settlement (LGFS).
- 1.4. This report continues to recommend that we continue to replicate the previous benefit regulations (council tax benefit regulations 2006) so that no one in the borough is worse off. Unlike other boroughs, LBHF is not charging residents on low incomes a proportion of their council tax.
- 1.5. However, as we intend replicating the previous council tax benefit scheme, it also recommends that we adopt a change introduced to the housing benefit scheme from 2015 as had council tax benefit still been in place, these would have been part of these regulations.

- 1.6. Agreement for the new scheme must be made by full council at the end of January 2017.

2. RECOMMENDATIONS

- 2.1. That the council continues with a scheme that reflects the old council tax benefit regulations as much as possible meaning no one in the borough is charged any council tax over and above what they would have been charged had the council tax benefit regulations continued.
- 2.2. It is recommended a continuation of the assessment of in work Universal Credit cases as agreed in our scheme last year.
- 2.3. To keep the scheme consistent with housing benefit rules it is recommend the reduction of the temporary absence rules for those travelling outside Great Britain to 4 weeks, in line with the housing benefit regulations. The same exemptions will be applied as the DWP (see appendix 1), but 26 weeks will be allowed where a resident is unable to return if they are looking after a sick relative, 52 weeks for military personnel as well as discretionary powers to maintain council tax support in other exceptional circumstances.

3. REASONS FOR DECISION

- 3.1. The reasons for not substantially changing the scheme are the same as for previous year. We do not believe those on low incomes should suffer due to a cut made by central government.
- 3.2. Some councils who were previously requiring people to pay something are now adopting similar schemes to LBHF so that the poorest do not need to contribute.
- 3.3. There would also be an additional cost to the authority in trying to collect this amount of money, and collection rates in councils that have done this have been low. It is estimated that around 4 to 5 extra staff would be needed staff to deal with increased enquiries and appeals at the Valuation Tribunal.
- 3.4. We have made the change to the temporary absence rule to continue to mirror the benefit regulations. However, we are keeping the overriding ethos that those on maximum support should not have to pay any of their council tax.

4. PROPOSAL AND ISSUES

Introduction and Background

- 4.1. The Local Government Finance Act 2012 abolished council tax benefit and gave local authorities new powers to assist residents on low incomes with help paying their council tax.

- 4.2. The Act does impose some conditions on local authorities in that pensioners must be protected (so that no pensioner is worse off) and people in work must be supported, but this aside the authority can develop a scheme as it sees fit.
- 4.3. The funding for the scheme was originally based on what the authority used to spend in council tax benefit less 10%. However, the funding for council tax support is now included in the Revenue Support Grant which has and will continue to be subject to further cuts. It is up to the authority to decide how to deal with this potential loss of income.
- 4.4. The schemes must last at least a year. It is proposed that this scheme runs for one year for the period April 2017 to April 2018. This will allow the authority choice for 2018/19 if it wishes to change its scheme due to additional cost if the caseload goes up or if the council wishes to raise additional revenue.

Changes to Housing Benefit / Universal Credit

- 4.5. Since Council Tax Support was introduced it has been the authority's intention to maintain a scheme that reflects the previous council tax benefit scheme as much as possible so that no one in the authority is worse off. However, it has also been our intention to reflect the benefit regulations that are prescribed for those that are pension age and those on housing benefits. So this means incorporating any changes in those schemes into our CTS scheme.
- 4.6. Last year the scheme confirmed how we will process in work claims for Universal Credit. We are not proposing any changes to this.
- 4.7. The following change to housing benefits should be reflected in the council tax support scheme from 2017/18:
 - Reducing the maximum period for which someone can be temporarily absent outside Great Britain (GB) and still qualify for Council Tax support. At present, there is no distinction between temporary absence within GB and outside it. There is a standard allowance of 13 weeks and a higher rate of 52 weeks in certain circumstances such as hospitalisation. The treatment of absence within GB will not change, but for absences outside GB the maximum period will change from 13 or 52 weeks to 4, 8 or 26 weeks, depending on the circumstances of the absence. Changes to the maximum period that a claimant can be temporarily absent, where the absence is outside GB, came into effect in housing benefit from 28 July 2016.
 - Where the claimant can show that this change has led to them suffering exceptional hardship over and above that of a normal benefit claimant, we will retain the ability to award CTS, based on the claimant's income for the period of the absence.
- 4.8. This change was included in the consultation we carried out with residents over the summer along with a proposal to remove the family premium which we have decided not to proceed with

Cost of the scheme

- 4.9. For the first year, the council received as a grant, what they would have spent in council tax benefit less 10%. This was advantageous to the borough because the calculation was based on when both our caseload and our council tax level were higher. This has meant that in the first two years, the council's scheme ran as a surplus.
- 4.10. The funding is now incorporated into our grant income which is not paid separately to the council but forms part of the Revenue Support Grant (RSG) calculation. It is therefore no longer possible to identify how much money the council gets from central government to pay for council tax support awards.
- 4.11. In general, our caseload is dropping, meaning council tax support is costing us less. However, the grant support from central government is also falling.
- 4.12. See financial implications for cost of scheme.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. Across London, the main option for authorities who wish to raise additional revenue through the council tax support scheme is to charge everyone a proportion of council tax – including those on passported benefits such as income support
- 5.2. On average where authorities outside of Hammersmith and Fulham have chosen this option, those on maximum benefit still have to pay about 20% of the council tax liability.
- 5.3. We would be seeking repayment from the poorest in society many of whom have already seen reductions in their income through other welfare reform changes.
- 5.4. LBHF has decided to forgo any additional revenue that forcing everyone to pay some council tax would bring and have a fairer system based on old benefit rates and income tapers.

6. CONSULTATION

- 6.1. As required by the Local Government Finance Act, officers consulted with the GLA as the precepting authority and with the public on the proposed scheme.
- 6.2. In previous years, the consultation has been minimal because we were not changing anything. The GLA have endorsed this.
- 6.3. Even though there is a slight change to the scheme that we are proposing we have not changed the consultation method for this year. We carried out an on-line consultation that ran for 2 months.

- 6.4. The responses this year were again limited as there is not much change to the scheme.
- 6.5. This year, we only had 1 response (we had 2 in previous years). The respondent agreed with our approach but felt we should not withdraw the family premium. The respondent did agree with the reduced temporary absence change though.
- 6.6. The response can be found in **Appendix 2**.

7. EQUALITY IMPLICATIONS

- 7.1. Upon the introduction of Council Tax Support LBHF made the decision not to pass on the 10% reduction in funding to recipients of CTS and that decision remains in place, with the reasoning set out in Paragraph 5.
- 7.2. In introducing its CTS scheme LBHF made the decision to continue with a scheme that reflects as much as possible the old council tax benefit regulations so that nobody is charged council tax over and above what they would have been charged.
- 7.3. Additionally the decision was made last year to assess in work Universal Credit cases using UC applicable amounts.
- 7.4. This report recommends at Paragraph 2 that the Council continues with the approach under 7.1 to 7.3 above, which are more favourable for all recipients of CTS, including of course those with protected characteristics.
- 7.5. In accordance with the policy under 7.2 the Council has to consider whether amendments introduced by central government into the benefits regime should be incorporated into the LBHF CTS scheme. Two amendments were introduced by central government into the benefits regime in 2016/2017, i.e. the abolition of the Family Premium and the reduction of the Temporary Absence period, and both were the subject of the consultation referred to at Paragraph 6.
- 7.6. Taking into account the negative impact of the abolition of the Family Premium on families receiving partial CTS the decision was made not to remove the Family Premium.
- 7.7. In considering whether to adopt the government's changes to the Temporary Absence provisions in the current benefits regulations into the Council's CTS scheme the EIA notes that there may be a more adverse effect upon BME claimants who are more likely to leave the UK to visit family. Taking this into account it is proposed that the change is introduced to include an additional exemption for when a claimant is overseas to look after a sick relative and will be subject to a discretion that can be applied when the claimant can show additional and exceptional hardship – see Paragraph 4.7.

- 7.8. The revised CTS scheme will run for 2017/18 and any impacts as a result of the change to the Temporary Absence provision will be monitored and considered when the CTS scheme is reviewed for 2018/19.
- 7.9. The attached EIA (**appendix 3**) provides more detailed analysis of the anticipated equality impact of the CTS scheme for 2017/18.
- 7.10. Implications verified / completed by: (Paul Rosenberg, Head of Operations, H&F Direct 020 8753 1525)

8. LEGAL IMPLICATIONS

- 8.1. The report sets out the requirements of the Local Government Finance Act 2012 to include a reminder that consultation for this scheme is a requirement and deals with the legal implications in the body of the report. Paragraph 6 details the statutory consultation which was undertaken, in compliance with the Act.
- 8.2. Implications verified/completed by: (Joyce Golder. Principal Solicitor, 020 7361 2181)

9. FINANCIAL IMPLICATIONS

- 9.1. The council tax support scheme operates by offering a discount to residents who need help paying their council tax. The cost of the scheme is shared between Hammersmith and Fulham and the Greater London Authority based on their respective council tax charges. The Hammersmith and Fulham share of the scheme cost was £8.8m in 2015/16 and is estimated to be £8.45m in 2016/17. The reduction reflects a lower caseload.
- 9.2. Funding for the council tax support scheme was originally provided through Revenue Support Grant (RSG) from the Government. Government funding was cut by £8.1m (14.1%) in 2016/17 and cuts are expected to continue until 2020/21.
- 9.3. Implications verified/completed by: (Andrew Lord, Head of Strategic Planning and Monitoring, Ext 2531).

10. IMPLICATIONS FOR BUSINESS

- 10.1. None

11. OTHER IMPLICATION PARAGRAPHS

- 11.1. None

12. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

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

LIST OF APPENDICES:

- | | |
|------------|---|
| Appendix 1 | List of exemptions for restricting temporary absence outside of GB to 4 weeks |
| Appendix 2 | Consultation response |
| Appendix 3 | Equalities Impact Assessment |

Appendix 1

Extension to restricting temporary absence for travelling overseas to 4 weeks

Reason for absence	Maximum period of absence for CTS to be awarded
The person is in a hospital or similar institution as a patient	26 weeks
A person, their partner or dependent child undergoing medical treatment or, medically approved convalescence in accommodation other than residential accommodation	26 weeks
A person who is receiving medically approved care provided in accommodation other than residential accommodation	26 weeks
A person who has left their home for fear of domestic violence	26 weeks
A person who is looking after a sick relative	26 weeks
A person who is absent from GB in connection with the death of a close relative	13 weeks
A member of HM forces posted overseas, a mariner, a continental shelf worker	52 weeks
Cases of exceptional hardship	52 weeks

Council Tax Support Consultation 2017-18 Proposal: Interim report

This report was created on Friday 02 September 2016 at 11:03.

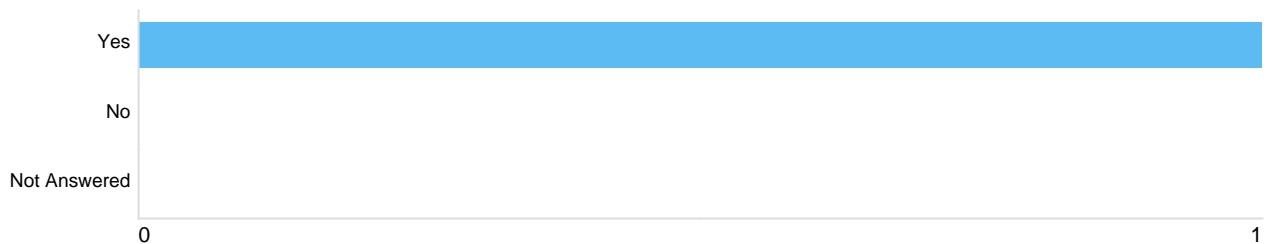
The consultation had not yet closed when this report was generated. As such, this report may not accurately reflect the final distribution of responses, and should be treated as interim only.

Contents

Question 1: Do you agree the council should meet the shortfall to keep support consistent with Council Tax benefit?	1
5	1
Question 2: Do you agree with our proposal to abolish the Family Premium?	1
5	1
Question 3: Do you agree with our proposal to reduce the permitted period for temporary absences outside GB?	2
reduce period	2
Question 4: Please explain your view on the council's decision to absorb the cost	2
(complete below)	2
Question 5: Do you pay council tax to the Hammersmith & Fulham Council?	2
1	2
Question 6: Do you receive Council Tax support?	2
2	2
Question 7: What is your age group?	3
3	3
Question 8: Are you (please tick one):	3
4	3
Question 9: Are you (please tick one)	4
5	4
Question 10: Are you responding to the consultation in your capacity as a representative of any of the following:	4
6	4

Question 1: Do you agree the council should meet the shortfall to keep support consistent with Council Tax benefit?

5



Option	Total	Percent
Yes	1	100.00%
No	0	0%
Not Answered	0	0%

Question 2: Do you agree with our proposal to abolish the Family Premium?

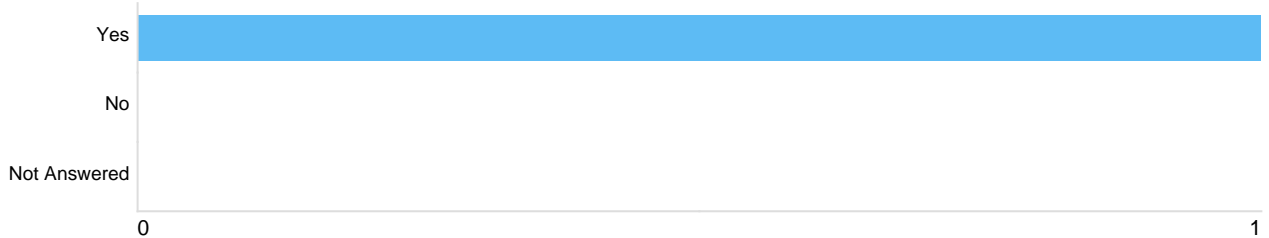
5



Option	Total	Percent
Yes	0	0%
No	1	100.00%
Not Answered	0	0%

Question 3: Do you agree with our proposal to reduce the permitted period for temporary absences outside GB?

reduce period



Option	Total	Percent
Yes	1	100.00%
No	0	0%
Not Answered	0	0%

Question 4: Please explain your view on the council's decision to absorb the cost

(complete below)

There were 1 responses to this part of the question.

Question 5: Do you pay council tax to the Hammersmith & Fulham Council?

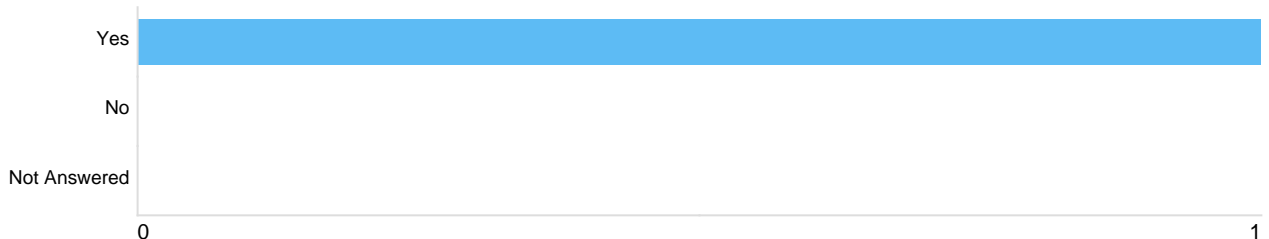
1



Option	Total	Percent
Yes	1	100.00%
No	0	0%
Not Answered	0	0%

Question 6: Do you receive Council Tax support?

2



Option	Total	Percent
Yes	1	100.00%
No	0	0%
Not Answered	0	0%

Question 7: What is your age group?

3



Option	Total	Percent
Under 18	0	0%
18 - 59	1	100.00%
60 or over	0	0%
Not Answered	0	0%

Question 8: Are you (please tick one):

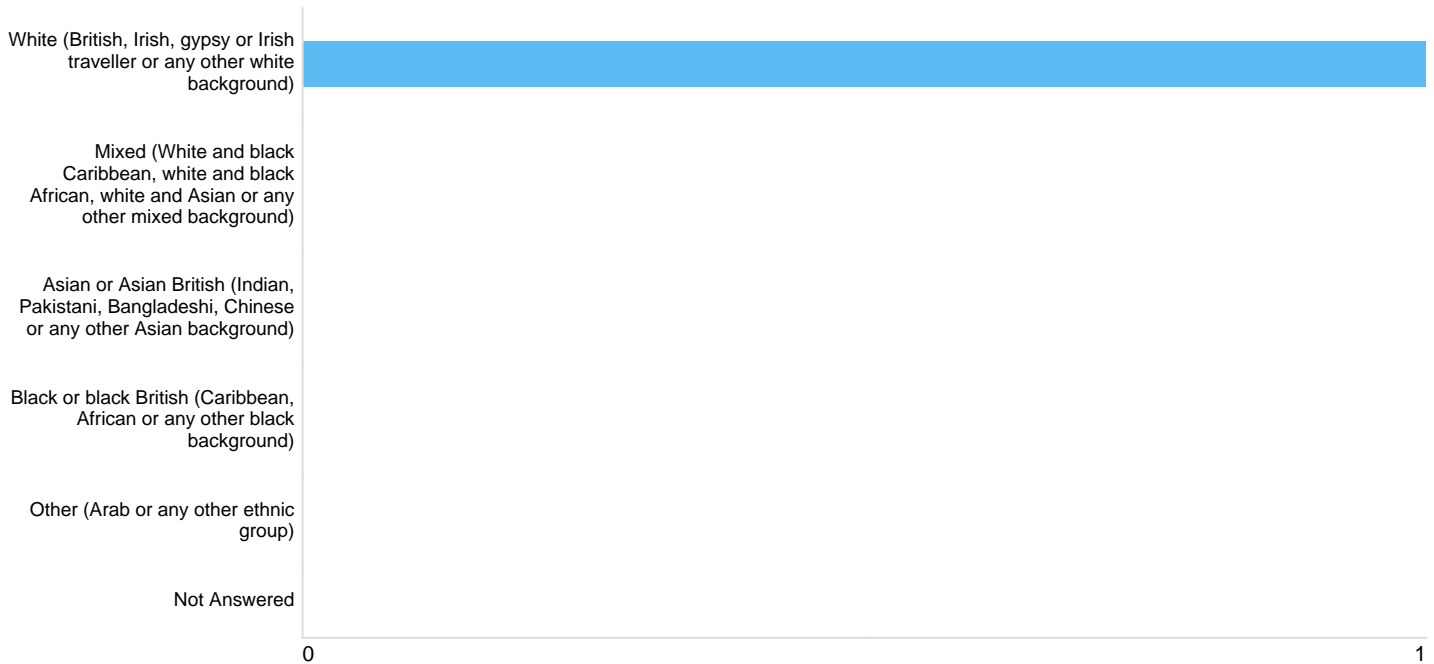
4



Option	Total	Percent
A Pensioner	0	0%
A Student	0	0%
Employed	0	0%
Unemployed	0	0%
Disabled	1	100.00%
Not Answered	0	0%

Question 9: Are you (please tick one)

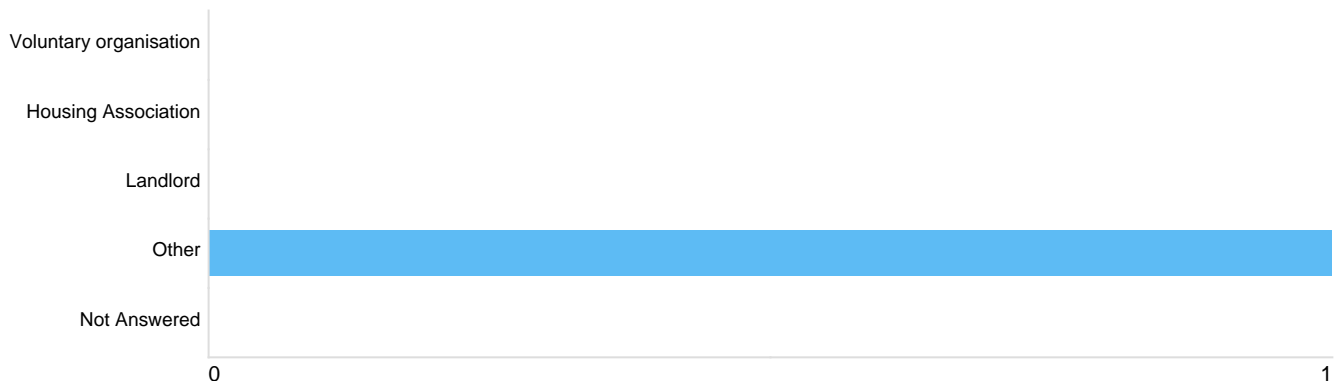
5



Option	Total	Percent
White (British, Irish, gypsy or Irish traveller or any other white background)	1	100.00%
Mixed (White and black Caribbean, white and black African, white and Asian or any other mixed background)	0	0%
Asian or Asian British (Indian, Pakistani, Bangladeshi, Chinese or any other Asian background)	0	0%
Black or black British (Caribbean, African or any other black background)	0	0%
Other (Arab or any other ethnic group)	0	0%
Not Answered	0	0%

Question 10: Are you responding to the consultation in your capacity as a representative of any of the following:

6



Option	Total	Percent
Voluntary organisation	0	0%
Housing Association	0	0%
Landlord	0	0%
Other	1	100.00%
Not Answered	0	0%

Appendix 3

Equality Impact Analysis (EIA) of Local Council Tax Support Scheme 2017/18

(A) Overview and Summary

Since 2013, the council has been obliged to set a local scheme to award council tax support (CTS) for residents on a low income. From then, the council has adopted a scheme that reflects the benefit regulations and nobody in the authority has been worse off. As this meant that there was no change for claimants, there was no requirement to complete an equalities impact assessment.

Universal Credit

Universal Credit (UC) was introduced in October 2013 for a very specific cohort of out of work claimants. Initially, the take up was slow but from June 2016, The DWP have been in the process of introducing the full digital service to the borough. This means by January 2017, everyone of working age within the borough should claim UC.

For out of work claims, the CTS assessment is simple. Maximum support is awarded the same as a passported legacy benefit (such as Jobseekers Allowance).

The authority decided for the 2016/17 scheme how to assess in work claims for UC as it was not possible to rely on legacy benefit regulations as UC was not introduced when these were rescinded.

It is for this element of our CTS scheme, i.e. how we are assessing in work UC cases that this EIA is required.

It has always been the intention of the authority that we, as much as possible replicate the benefit regulations. With Universal Credit, the calculations are slightly different to the legacy benefits, with different applicable amounts and earned income disregards. This leaves the authority with a choice of which rates to use, the legacy benefit rates or those used in UC.

The council has decided that for in-work UC claimants, the CTS will be assessed using the UC applicable amounts rather than the applicable amounts taken from the housing benefit regulations (as we normally do). This will mean that these claimants will receive more CTS as the UC rates higher.

A public authority must, in the exercise of its functions, comply with the requirements of the Equality Act 2010 and in particular section 149 (the Public Sector Equality Duty). This EIA is intended to assist the Council in fulfilling its public sector equality duty ("PSED"). It assesses, so far as is possible on the information currently available, the equality impact of our decision to assess in work UC claims based on the UC rates rather than the rates used for non UC cases.

Temporary absence

The government have reduced the length of time from 13 weeks to 4 weeks that a claimant can be out of the country. This is a nationally introduced change that we are

reflecting in our scheme. Central government have completed an EIA for this change nationally.

LBHF has provided mitigation to this by adopting exemptions included in the DWP regulations and adding a further exemption that includes extending the allowable period of absence for those attending to sick relatives. The authority has also kept a discretionary element to adopting this change by retaining the ability to award CTS to someone overseas in cases of exceptional hardship

(B) Methodology

There is little difference in the way that we have decided to calculate UC claims as the UC applicable amount are similar to those used in legacy benefits. However, they are slightly more generous to the claimant which means their UC award is higher. However, this then affects the CTS claim by lowering entitlement meaning there is only a slight net difference in CTS.

The analysis will refer to the budget setting EIA which looks at the whole CTS caseload. This is because it is the government's intention to increase the UC caseload nationally.

Analysis of the impact of the assessment of UC claims for CTS

Local Council Tax Support (LCTS) came into effect on 01 April 2013, and replaced Council Tax Benefit which was abolished as part of the Government's Welfare Reforms (which include the introduction of Universal Credit). H&F decided for the following years to absorb the cost of the changes, which means that people receive the same or very similar help to pay their council tax as they did under council tax benefit.

At present, there are approximately 430 CTS claims who are in receipt of UC. The vast majority of these are out of work and so are not currently affected by our proposals.

The original cohort selected by the DWP as part of the take up of UC largely focused on single claimants. However, as explained above, the W6 and W14 have accepted all new claims for UC from the summer and by January 2017 this will refer to the whole borough (meaning there will be no new claims for housing benefits for working age claimants).

Because of the historical focus on single claimants, the UC caseload on CTS is still heavily biased towards single people. There are only 11 (2.5%) claims made by couples.

Of the remaining 419 claims 234 (56%) are from women and 185 (44%) are from men.

This is compared to the CTS working age caseload where 4,113 or 57% are female, 2,007 or 28% are male and 1,123 or 15% are couples.

Under full service, the cohort will include those with the limited capability of work element. However, we are unable to extract the number of UC cases that this refers to from our benefits system though we do know that disabled claimants make up 20% of our working age caseload.

Just as in the budget setting EIA, it is not possible to extract meaningful ethnicity data from the caseload.

From the limited information that we hold, there is little impact on CTS recipients. However, we can see that there is a positive impact on those affected as the authority's scheme for UC is more generous than if we used the legacy benefits applicable amounts. (see appendix A for an example).

The authority does not select the claimants who receive UC as this is done by the DWP.

Analysis of the impact of the change to temporary absence rules

This change risks having an affect BME claimants who are more likely to leave the UK to visit family. This is a national regulation and we are adopting this change to reflect the current benefit regulations. The government's EIA can be found here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/496711/equality-assessment-ssac-hb-temp-absence-feb-2016.pdf

The authority has proposed a series of exemptions to mitigate this adverse impact, and it will also have discretionary powers to maintain council tax support to prevent exceptional hardship even where the extended time limits in these exemptions are exceeded.

We do not collect information on who is likely to travel overseas. Again, we will need to monitor the effects of this change in the coming year.

(C) Conclusion

For the claimants affected by our assessment of UC, the change has a positive impact because it awards them more council tax support than if we used legacy benefit rates. For any other claimant, the overall affect is neutral as they are not affected by the change in anyway.

Also, all protected groups are not disproportionately represented in this change. Those who receive UC are not selected disproportionately from any group.

We have chosen the option that benefits those affected rather than puts them at a disadvantage so there are no further mitigating actions that the authority can take.

Because UC is a new benefit and an emerging part of the government's welfare reform agenda, the affects to the CTS caseload will need to be monitored and subject to review.

Based on current information we feel that this is the fairest way forward but we will monitor any impacts as more people are affected to ensure that no group is impacted adversely. It will also be important though to also monitor how this affects the value of CTS awards to ensure that this more generous scheme is not too expensive for the council to implement.

For the change to the temporary absence rule, this will have a negative impact on claimants from a BME background who are more likely to be affected but it has been introduced to reflect current benefit legislation. However, the authority has adopted a set of exemptions beyond those allowed by DWP to mitigate this as well as retaining a further discretionary element to prevent exceptional hardship.

The scheme will run for a year so there will be an opportunity to review for 2018/19. If change is required, then further work will be needed on assessing its impact on the protected groups.

Appendix A

Example of UC / Legacy calculations

In this example, we have compared the circumstances of a customer on a low income (earning a net amount of £115.38 per week). The claimant has a rent of £200 per week to pay. In the first example, the claimant can receive £427.95 per week UC but will be expected to pay £200 of this towards their rent, leaving a net amount of £227.95.

In doing the calculation for council tax support, in the way that we are proposing, we ignore the income from UC which in effect makes the UC award the applicable amount. We then use any other income as excess income in the same way that CTS is calculated normally. This leaves a CTS award of £6.25 per week.

In the second example, we have treated the UC amount as income (though we have disregarded the rent cost income) and we have used the applicable amounts we currently use for non-UC cases. Here, the CTS is the lower amount of £5.55 per week.

The legacy tax credit award would have been lower than the UC award. Based on the current example, we estimate a claimant would receive about £120 per week in tax credits rather than the £227.95 per week received in UC (net of rent costs). This means that those in receipt of working / child tax credits do receive higher CTS awards but this is because the amount of tax credit received is lower. The claimants net income is higher under UC.

UC Calculation

Description	Gross Income	Disregards	Eligible Amount
Net Earnings	£115.38	£27.10	£88.28
Child Benefit (disregarded)	£34.40	£34.40	£0.00
Universal Credit (UC)	£427.95	£0.00	£427.95
Total Income (earnings plus UC)	£516.23		

Income used in calculation	£516.23
Less the UC applicable amount	£427.95
Excess Income	£88.28

Eligible Council Tax	£23.91
Less 20% of Excess Income	£17.66
Weekly Council Tax Support Award	£6.25

Legacy Benefit Calculation

Description	Gross Income	Disregards	Eligible Amount
Net Earnings	£115.38	£27.10	£88.28
Child Benefit (disregarded)	£34.40	£34.40	£0.00
Universal Credit (UC)	£427.95 (including £200 per week housing costs)	£200.00	£227.95
Total Income (earnings plus UC)	£316.23		


Income used in calculation	£316.23
Less the applicable amount	£224.25
Excess Income	£91.98

Eligible Council Tax	£23.91
Less 20% of Excess Income	£18.36
Weekly Council Tax Support Award	£5.55

Glossary

Net Earnings	In the calculation of the CTS award, we always use income after tax, national insurance and half of any pension is taken off
Disregards	Within CTS, we disregard a certain amount of earned income. How much we disregard depends on the family make-up of the claimant and the number of hours worked
Eligible Amount	This is the net income after all disregards are taken off. It is this income that the final award calculation is based on
Applicable Amount	This is the figure at which the claimant stops to receive maximum CTS. So, if the income is below the applicable amount, they receive maximum CTS. Once the income goes above the applicable amount, the CTS is reduced by 20%.

Agenda Item 7

London Borough of Hammersmith & Fulham CABINET 16 JANUARY 2017	 hammersmith & fulham
MID-YEAR TREASURY REPORT 2016/17	
Report of the Cabinet Member for Finance – Councillor Max Schmid	
Open Report	
Classification – For Decision	
Key Decision: Yes	
Wards Affected: ALL	
Accountable Director: Hitesh Jolapara, Strategic Finance Director	
Report Author: Halfield Jackman – Treasury Manager	Contact Details: Tel: 0207 641 4354 E-mail: hjackman@westminster.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report presents the Council's Mid-Year Treasury Report for 2016/17 in accordance with the Council's Treasury Management Practices. It is a regulatory requirement for this report to be presented to Council.
- 1.2 The report does not seek to make any changes to the approved investments allowed under the Council's strategy, but gives an overview of the implementation of the strategy to date.
- 1.3 There are two aspects of Treasury performance – debt management and cash investments. Debt management relates to the Council's borrowing and cash investments to the investments of surplus cash balances. This report covers:
 - Treasury position as at 30 September 2016.
 - Investment activity to 30 September 2016.
 - Borrowing activity to 30 September 2016.
 - Compliance with the treasury limits and prudential indicators and
 - The UK economy and interest rates.

The borrowing amounts outstanding and cash investments for the 30 September period are as follows:

	30 September 2016	31 March 2016
	£m	£m
Total Borrowing	227	232
Total Cash Balances	(344)	(299)
Net Surplus	(117)	(67)

2. RECOMMENDATIONS

- 2.1. To note the Council's borrowing and investment activity up to the 30 September 2016.

3. REASONS FOR DECISION

- 3.1. This report presents the Council's Treasury Management Mid-Year Report to the 30 September 2016 in accordance with the Council's Treasury Management Practices.

- 3.2 The CIPFA Code of Practice on Treasury Management has been adopted by the Council. This Mid-Year review has been prepared in compliance with the Code of Practice. The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Receipt by the full Council of an Annual Treasury Management Strategy Statement, including the Annual Investment Strategy, for the year ahead, a Mid-Year Review Report (this report) and an Annual Report covering activities during the previous year.

- 3.3 This Council delegates the scrutiny of Treasury Management Strategy and policies to the Audit, Pensions and Standards Committee.

4. TREASURY POSITION AT 30 SEPTEMBER 2016

Investment

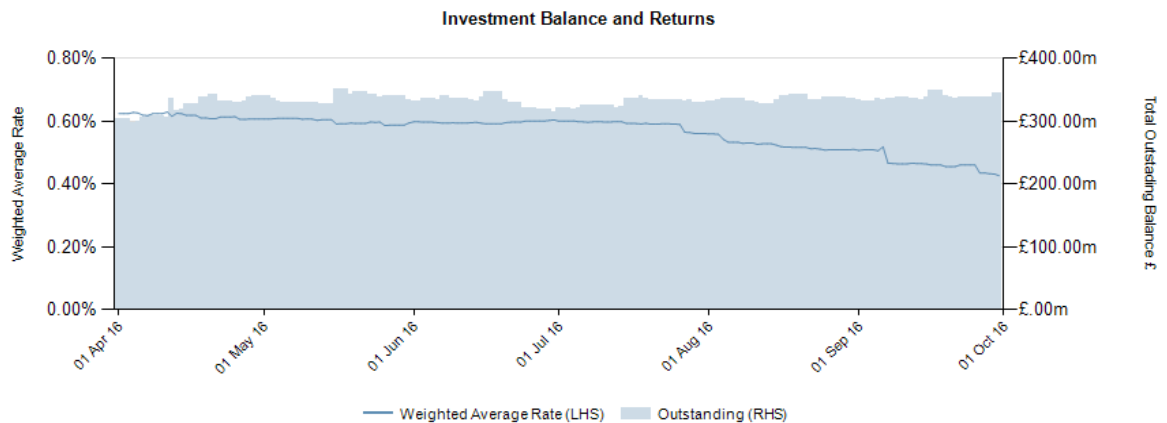
- 4.1. The table below provides a schedule of the cash deposits, together with comparisons with 31st March 2016.

	30 September 2016		31 March 2016	
	Balance £m	Yield (%)	Balance £m	Yield (%)
Call Accounts	1	0.25	1	0.25
Money Market Funds (Constant NAV)	115	0.32	34	0.52

Total Liquid Investments	116	0.32	34	0.40
Notice Account	15	0.60	20	0.60
Term Deposit	20	1.05	40	1.05
Tradable securities (Cost value)	193	0.45	205	0.58
Total other Investments	228	0.50	265	0.65
Grand Total/ Average Yield	344	0.44	299	0.63

- 4.2. The average level of funds available for investment in the first six month of 2016/17 was £333 million. The average rate of return on the investments was 0.56%. The rate of interest earn is expected to fall in the second half of the year.
- 4.3 All investments during the first six months of the year have been in line with the strategy.
- 4.4 Liquid investments are managed through the Call accounts and Money Market Funds which offer same day liquidity. The Council has £115m invested in four money market funds run by Federated Investors, Insight, Goldman Sachs and Blackrock. The funds return an average of 0.32%, are rated AAA by at least one of the three main credit rating agencies.
- 4.5 The Council has a 35 day Notice Account with Handelsbanken which currently returns 0.60%.
- 4.6 The Council has two fixed term deposit loans for £10m invested with Lloyds Bank at 1.05% which both loans will mature in October 2016.
- 4.7 Tradable securities are highly rated short term investments that are held by Northern Trust (Custodian). Investments include UK Treasury Bills and bonds issued by Network Rail (Government guaranteed), Svenska Handelsbanken bonds, Supra national banks and European Agencies. The average return of the Tradable securities was 0.45%.
- 4.8 The shaded area in the chart below¹ shows the daily investment balance during the first half year. The line shows the return of the investment portfolio, which has decreased from 0.63% at the start of the year to 0.44% at the 30th September.

¹ Data Source: Public Sector Live
LHS Left Hand Scale (Weighted Average rate) and RHS Right Hand Scale (Total outstanding balance).



4.9 As a consequence of the referendum vote in June to leave the European Union, the Bank of England’s Monetary Policy Committee (MPC) voted at its August meeting to reduce bank rate from 0.50% to 0.25%. This led to a subsequent fall in the other UK money market rates. For example, the Debt Management Office (DMO) rate reduced from 0.25% to 0.15% and the six month Treasury Bills which were trading at 0.599% at the end of June were 0.245% at the end of September.

4.10 All investment limits specified in the 2016/17 investment strategy have been adhered to. The table below shows the limits and exposures as at the 30th September 2016. Data provided below from Public Sector Live.

Category	£ Limit per counterparty	Duration Limit	Counterparty Name	Exposure at 30/9/16 £m	Average Interest Rate (%)	Weighted Average Maturity Days (WAM)
UK Government	unlimited	unlimited	UK Government Treasury Bills	46.4	0.41	84
Supra national	£100m	5 years	European Investment Bank	77.8	0.40	234
			International Bank of Reconstruction & Development	12.7	0.63	88
			Council of Europe Development Bank(COE)	10.1	0.34	80
European Agencies	£100m	5 years	Kreditanstalt fur Wiederaufbau (KfW)	25.8	0.49	277
Network Rail	£200m	37 years	Network Rail Infrastructure PLC	5.0	0.31	77
Money Market Funds	£30m per fund. £200m in total	n/a	Goldman Sachs	30.0	0.30	Instant
			Federated Investor	30.0	0.37	Instant
			Blackrock	30.0	0.32	Instant
			Insight	24.7	0.30	Instant

UK Bank Deposit / Certificate of Deposit / Short Dated Bonds (or UK Government ownership of greater than 25%) AA-/Aa3/AA-	£70m	5 years	Royal Bank of Scotland Plc (National Westminster Bank)	0.5	0.25	Instant
UK Bank Deposit / Certificate of Deposit / Short Dated Bonds A-/A3/A-	£50m	3 years	Lloyds Bank Plc	20.0	1.05	11
Non-UK Bank AA-/Aa3/AA-	£50m	1 years	Svenska Handelsbanken	14.9 16.3	0.60	Instant
Total/ WAM				344.2	0.44	110

4.11 Officers circulate a listing of all investments on a weekly basis to the Cabinet Member for Finance and Strategic Finance Director and monthly meetings are held to discuss the treasury strategy.

Borrowing

4.12 The Council's forecast capital financing requirement (CFR) for 2016/17 per the Capital Programme was £273.9 million. The CFR denotes the Council's underlying need to borrow for capital purposes. The outstanding debt as at 30th September 2016 was £227 million.

4.13 Where the CFR exceeds borrowing the Council may choose to cover the difference by borrowing either from the Public Works Loan Board (PWLb) or the market (external borrow) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.

4.14 As anticipated in the strategy, to date the Council has undertaken no new borrowing due to the high level of cash holdings. It is anticipated that no borrowing will be undertaken during the financial year. However, officers are monitoring market conditions and may choose to borrow at current low rates if a requirement is identified for the general fund or the Housing Revenue Account (HRA).

4.15 The table below shows the Council's external borrowing (as at 30 September 2016) is £227m split between General Fund and HRA at an interest rate of 5.06%. Principal repayments of £ 4.5 million pounds have reduced the average interest rates in both portfolios by 0.05%.

	30 th September 2016		31 st March 2016	
	Principal Outstanding £m	Average Rate %	Principal Outstanding £m	Average Rate %
General Fund	38.8	5.06	39.6	5.11
HRA	188.6	5.06	192.3	5.11
Total	227.4	5.06	231.9	5.11

4.16 Early repayment of debt is an option but, depending on the view taken over future movements in interest rates, the Council would pay such large premia, in effect penalties, for early redemption that it does not appear to constitute value for money.

5. COMPLAINTS WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

5.1. During the first six months of the financial year the Council operated within its treasury limits and Prudential Indicators as set out in the Council's Treasury Management Strategy Statement.

External debt indicator	Approved limit (£m)	Maximum borrowing	Days exceeded
Authorised limit	320	247	None
Operational boundary	270	247	None

5.2 The Authorised Limit is a level for which the external borrowing cannot be exceeded without reporting back to Full Council. It therefore provides sufficient headroom such that in the event that the planned capital programme required new borrowing to be raised over the medium term, if interest rates were deemed favourable and a thorough risk analysis determined the cost of carry was appropriate, this borrowing could be raised ahead of when the spend took place.

5.3 The Operational Boundary is set at a lower level and should take account of the most likely level of external borrowing. Operationally, in accordance with CIPFA best practice for Treasury Risk Management, a liability benchmark is used to determine the point at which any new external borrowing should take place. As a result of the significant level of cash balances, it is deemed unlikely that any new borrowing will be required in the foreseeable future.

5.4 The maturity structure of borrowing shows the proportion of loans maturing in each time bucket. The purpose of this indicator is to highlight any potential refinancing risk that the authority may be facing if any one particular period had a disproportionate level of maturing loans. The maturity structure as at 30th September 2016 was well within the limits set and does not highlight any significant issues.

	Upper Limit	Lower Limit	Actual as at 30 September 2016
Under 12 months	15%	0%	4.4%
12 months and within 24 months	15%	0%	-
24 months and within 5 years	60%	0%	11.3%
5 years and within 10 years	75%	0%	11.3%
10 years and above	100%	0%	73.0%

5.5 The purpose of the interest rate exposure indicators is to demonstrate the extent of exposure to the authority from any adverse movements in interest rates. The limits for 2016/17 were set to contain the exposure to rising interest rates which would have adverse implications for the cost of borrowing.

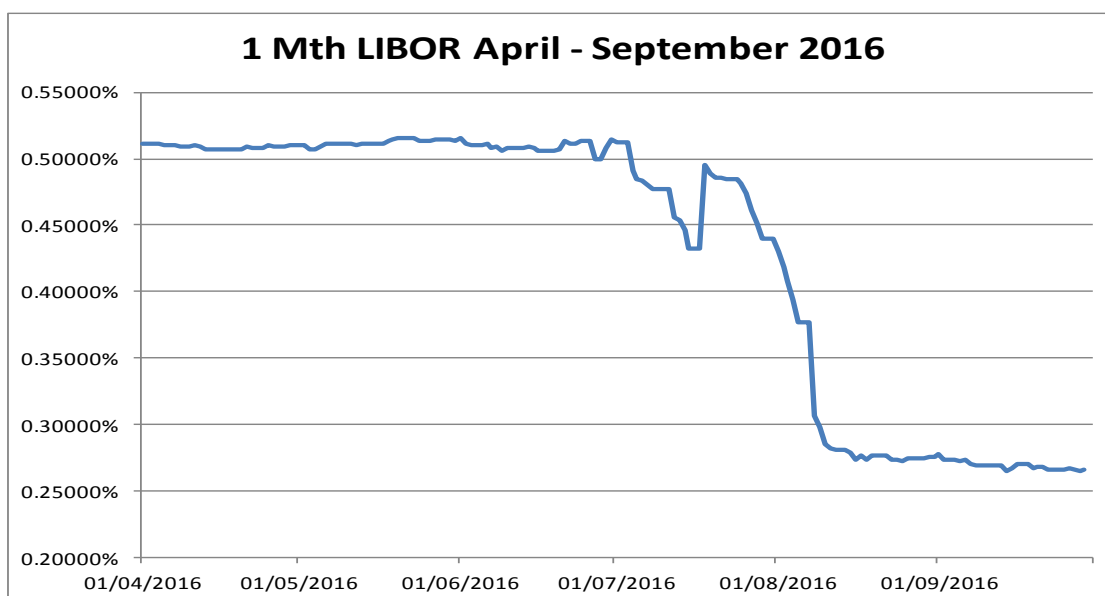
Upper limits on interest rate exposure	Approved maximum limit	Actual as at 30 September 2015
Borrowing		
Fixed interest rate exposures	100%	100%
Variable interest rate exposures	20%	0%

5.6 All borrowing undertaken is at fixed rates and therefore reduces exposure to rising interest costs. However, the Council is also exposed to interest rate risk within its investment portfolio and therefore the greatest contributor to net interest risk arises from this portfolio. As part of the strategic review of the investments outlined in Section 4 of this report and in recognition of a key risk management objective to reduce interest rate exposures, the mis-match between fixed and variable investment returns will be re-balanced in order to reduce interest rate risk to the organisation.

6. THE ECONOMY AND INTEREST RATES

6.1 UK Gross Domestic Product (GDP) rose in the first quarter of the financial year, showing a 2.2 per cent year on year increase. Following the referendum vote to leave the European Union the Organisation for Economic Cooperation and Development (OECD) reduced its forecast for growth in 2017 to one per cent. However, the Office for National Statistics suggested the result had not had a major effect on the UK economy so far.

- 6.2 Consumer Price Inflation (CPI) is running at 0.6 per cent year on year. However the forecast is that inflation will rise over the next few years, rising above the Monetary Policy Committee's (MPC) 2 per cent target in 2018. This is mainly due to the recent fall in the value of Sterling following the referendum result.
- 6.3 Bank Rate remained at 0.5 per cent until the August meeting of the MPC when the committee voted to cut Bank Rate to 0.25 per cent and increase quantitative easing by £60 billion. This was in response to the immediate aftermath of the referendum result. The Governor of the Bank of England also indicated further measures would be taken if required.
- 6.4 The long term PWLB certainty maturity interest rates have fallen from 1st April 2016, 20yrs - 3.03%, 30yrs – 3.12% to 30th September 20yrs - 2.18%, 30yrs – 2.25% or around 85 basis points.
- 6.5 The chart below shows movements in the 1 month London Interbank Offer Rate during the first half of the financial year:



7. THE WAY FORWARD

- 7.1 Officers have been actively considering a variety of treasury initiatives, predominantly focusing on active risk management of the portfolio. Whilst the work is still in progress, there are a number of points that can be factored into the current and future years' portfolio management.
- 7.2 Long term cash flow forecasts have been developed and are being actively used to assist the authority's strategic decision making. These projections are able to be continually updated with the evolving spending plans of the organisation.

- 7.3 Furthermore, it has been determined that a balance of £100m needs to be retained on a liquid basis to meet peaks and troughs of cash flows. Therefore, there is an expected balance of over £100m that is not needed in the foreseeable future and can therefore be invested on a more strategic basis.
- 7.4 There are several options being explored for the use of this available cash balance, and some of these initiatives are yet to be concluded. However, it is clear investing for longer duration can lock in gains above short term rates. Furthermore this strategy would reduce interest rate risk and uncertainty as a lower proportion of the portfolio would need to be re-invested at unknown future rates.
- 7.5 Officers met with Members in October and are currently in discussion on potential changes to the current treasury policy and explore future opportunities for the Treasury Management Strategy for 2017/18. These will be included in the TMSS for 2017/18.

7. EQUALITY IMPLICATIONS

- 7.1 There are no equality implications as a result of this report.

8. LEGAL IMPLICATIONS

- 8.1 There are no direct legal implications arising from this report.

Implications completed by: Rhian Davies, Chief Solicitor (Litigation and Social Care) 020 7641 2729

9. FINANCIAL IMPLICATIONS

- 9.1 This report is wholly of a financial nature.

10. IMPLICATIONS FOR BUSINESS

- 10.1 The Council's borrowing and investment activity up to the 30th September 2016. This represents significant expenditure within the Borough and consequently where supplies are sourced locally changes in borrowing or investment may impact either positively or negatively on local contractors and sub-contractors. Where capital expenditure increase, or is brought forward, this may have a beneficial impact on local businesses; conversely, where expenditure decreases, or is slipped, there may be an adverse impact on local businesses.


Implications verified/completed by: Antonia Hollingsworth, Principal Business Investment Officer, tel. 0208 753 1698

11. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

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

LIST OF APPENDICES: None

Agenda Item 8

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>16 JANUARY 2017</p>	 <p>h&f hammersmith & fulham</p>
CORPORATE REVENUE MONITOR 2016/17 MONTH 7 – 31 OCTOBER 2016	
Report of the Cabinet Member for Finance – Councillor Max Schmid	
Open Report	
Classification - For decision and for information Key Decision: Yes	
Wards Affected: All	
Accountable Director: Hitesh Jolapara – Strategic Finance Director	
Report Author: Jade Cheung – Finance Manager	Contact Details: Tel: 020 8753 3374 Jade.Cheung@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The General Fund 2016/17 forecast year end variance for month 7 is a gross overspend of **£2.074m** (a reduction of **£0.485m** compared with £2.559m in month 6).
- 1.2. The potential value of mitigating actions is **£1.025m, if fully delivered**, which will result in a net overspend of **£1.049m** (a reduction of £0.682m, compared with £1.731m at month 6). Delivery of action plans is assigned to relevant responsible Directors, which seek to address the total General Fund forecast overspend (1.2% revised budget compared with 1.4% month 6) as set out in section 4.2.
- 1.3. The forecast overspend 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) Children's Services mainly due to commissioning and support services functions; (3) Environmental Services; (4) Housing General Fund; and (5) Libraries.
- 1.4. The Housing Revenue Account year end variance for 2016/17 is a surplus of **£0.563m** at month 7 (a decrease of £0.009m compared with a surplus at month 6 of £0.572m). HRA general reserves of **£1.061m** remain forecast to be carried forward into 2017/18, with a HRA balance of **£20.144m** at year-end.

2. RECOMMENDATIONS

- 2.1. To note the General Fund and Housing Revenue Account month 7 forecast revenue variances.
- 2.2. To note the action plans amounting to **£1.025m**, seeking to address the General Fund gross overspend forecast of **£2.074m**. All overspending departments to respond with further actions to reduce the net forecast overspend of **£1.049m**.
- 2.3. To approve the proposed virement requests in appendix 11.

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 MONTH 7 GENERAL FUND

- 4.1. Table 1 below sets out the position for month 7.

Table 1: 2016/17 General Fund Gross Forecast Outturn Variance – Month 7

Department ¹	Revised Budget Month 7 £m	Forecast Outturn Variance Month 7 £m	Forecast Outturn Variance Month 6 £m	Variance Between Months 6 and 7 £m	Month 7 Forecast Variance %
Adult Social Care	58.698	2.065 ²	2.059	0.006	1.2%
Children's Services	47.581	0.437	0.345	0.092	0.2%
Controlled Parking Account	(22.406)	(0.472)	(0.156)	(0.316)	0%
Corporate Services	16.867	(0.324)	(0.324)	0	0%
Environmental Services	44.778	0.309	0.576	(0.267)	0.2%
Housing General Fund	8.143	0.082	0.082	0	0%
Library & Archives Service	3.175	0.014	0.014	0	0%
Public Health Services	0	0	0	0	0%
Centrally Managed Budgets	21.656	(0.037)	(0.037)	0	0%
Total	178.492	2.074	2.559	(0.485)	1.2%

¹ Figures in brackets represent underspends

² The ASC forecast includes the proposed budget virement request of £0.400m. This is the second virement request from ASC for a drawdown from their ASC Pressures and Demands earmarked reserve (the first was £0.716m approved in CRM3 also included in the forecast). Refer to appendix 1 and 11.

4.2. Action plans to mitigate the forecast overspends are summarised in table 2.

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

Department	Gross Forecast Outturn Variance Month 7 £m	Potential Value of Action Plan Mitigations Month 7 £m	Forecast Outturn Variance Net of Planned Mitigations £m	Paragraph reference to action plans
Adult Social Care	2.065	0.600	1.465	4.2.1
Children's Services	0.437	0.225	0.212	4.2.2
Controlled Parking Account	(0.472)	0	(0.472)	
Corporate Services	(0.324)	0	(0.324)	
Environmental Services	0.309	0.104	0.205	4.2.3
Housing General Fund	0.082	0.082	0	4.2.4
Library & Archives Service	0.014	0.014	0	4.2.5
Centrally Managed Budgets	(0.037)	0	(0.037)	
Total	2.074	1.025	1.049	
%	100%	49%	51%	

4.2.1. Adult Social Care Revenue Overspend Action Plan

	Mitigating Actions (in priority order)	Proposed mitigations £m	Responsible Officer	Deadline
1	Review of high cost placements, Home care packages and Direct Payments customers.	500	Viv Whittingham	On-going
2	Review of 50/50 funded placements within Mental Health services.	100	Ranjit Kang	On-going
3	Review of Learning Disabilities Day Care costs and in-house day Services.	*	Viv Whittingham	On-going
4	Review of customer care needs as part of the transfer to the new Home care providers or through Direct Payments.	*	Viv Whittingham	31/12/2016
5	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	31/03/2017
6	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
	Total	600		

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

4.2.2. Children's Services Revenue Overspend Action Plan

	Mitigating Action(s)	Proposed mitigations £m	Responsible Officer	Deadline
1	Reduced agency spend through recruitment of newly qualified social work posts in front line social work teams.	0.050	Heads of Service: CAS, FSCP, LAC&LC service	Ongoing
2	Continue to reduce looked after children cost through reduced entry, maintain children in lower cost placements, and maximising the opportunity for throughput.	0.100	Steve Miley: Director of Family Services	Ongoing
3	Reduced expenditure on care leavers through maximising throughput into permanent housing and use of the semi-independent contact placements.	0.75	Steve Miley: Director of Family Services	Ongoing
	Total	0.225		

4.2.3. Environmental Services Revenue Overspend Action Plan

	Mitigating Action(s)	Proposed Mitigations £m	Responsible Officer	Deadline
1	Alternative Weed Treatment Included in the forecast is a £232k part year pressure from moving to alternative weed treatment in parks (£158k) and on street (£74k). If implementation is deferred to 2017/18, the forecast would reduce by this amount. Officers are looking at ways to minimise this pressure by reviewing recharges to the HRA and potential capital funding of the new equipment to minimise ongoing revenue costs. The service group is unable to absorb a new financial commitment of this size. If this priority is to progress additional funding will need to be identified.	TBC ³	Sue Harris / Dave Page	31/12/2016
2	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	31/12/2016
3	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	31/12/2016
4	Building & Property Management Explore options for increased income generation through letting Council buildings (e.g. Bagleys Lane Depot) and identifying new advertising sites.	0.064	Maureen McDonald-Khan /Nigel Brown	31/12/2016
	Total	0.104		

³ To be confirmed

4.2.4. Housing General Fund Revenue Overspend Action Plan

	Mitigating Action(s)	Proposed mitigations £m	Responsible Officer	Deadline
1	<ul style="list-style-type: none"> ● Further negotiations with landlords to increase 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. 	0.082	Jo Rowlands / Glendine Shepherd	On-going to March 2017
	Total	0.082		

4.2.5. Library & Archives Service Revenue Overspend Action Plan

	Mitigating Action(s)	Proposed mitigations £m	Responsible Officer	Deadline
1	<p>Stock review</p> <p>A review of stock will be completed to assess whether any spend can be removed from this. This will be subject to reviewing orders already in place, as a lot of spend is committed to 3 months in advance.</p>	0.014	Mike Clarke	31/03/2016
	Total	0.014		

5. 2016/17 MONTH 7 HOUSING REVENUE ACCOUNT

- 5.1. The Housing Revenue Account currently forecasts a surplus outturn variance of **£0.563m** for 2016/17, a reduction of £0.009m compared with a surplus outturn variance of £0.572m in month 6 (appendix 10).

Table 3: 2016/17 Housing Revenue Account Forecast Outturn - Month 7

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	(0.563)
Projected Balance as at 31st March 2017	(20.144)

6. MEDIUM TERM FINANCIAL STRATEGY - EFFICIENCY SAVINGS

- 6.1. The 2016/17 General Fund budget included an efficiency savings target now revised to **£15.867m**. Progress against these is summarised in table 4 (and in appendices 1 to 10). The 2016/17 Housing Revenue Account efficiency savings are on target at **£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	3.085	0.205	2.031
Children's Services	3.227	3.040	0	0.187
Corporate Services	3.175	3.175	0	0
Environmental Services	2.669	0.811	1.317	0.541
Housing General Fund	0.405	0.265	0	0.140
Libraries and Archives	0.020	0	0.005	0.015
Centrally Managed Budgets	1.050	0.550	0	0.500
General Fund Total	15.867	10.926	1.527	3.414
GF %	100%	69%	10%	21%
Housing Revenue Account Total	0.922	0.922	0	0
HRA %	100%	100%	0%	0%

7. VIREMENTS & WRITE OFF REQUESTS

- 7.1. Cabinet is required to approve all budget virements that exceed £0.1m. Proposed budget virement requests are stated in appendix 11.
- 7.2. No write-off requests for month 7.

8. CONSULTATION

- 8.1. N/A.

9. EQUALITY IMPLICATIONS

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

10. LEGAL IMPLICATIONS

10.1. There are no legal implications for this report.

11. FINANCIAL AND RESOURCES IMPLICATIONS

11.1. This report is financial in nature and 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.

11.2. Implications completed by: Jade Cheung, Finance Manager, 0208 753 3374.

12. IMPLICATIONS FOR BUSINESS

12.1. There are no implications for local businesses.

13. RISK MANAGEMENT

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

14. PROCUREMENT AND IT STRATEGY IMPLICATIONS

14.1. 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	Virement Requests

APPENDIX 1: ADULT SOCIAL CARE
BUDGET REVENUE MONITORING REPORT – 2016/17 MONTH 7

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
Integrated Care	44,902	2,570	2,126	<p>1. A projected overspend of £1,632,000 on the Home Care and Direct Payments budgets</p> <p>Similar to the last 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 admissions or to enable early discharge. This has naturally led to an increase in home care costs above that which is normally expected. In 2016/17, further reasons for projected overspends are:</p> <p>A. Additional pressures on the home care budget due to the tendering of new home care contracts which are now operational from an increase in price to improve quality and potential increase in demand totalling £1,900,000. Cabinet have agreed an additional transfer of (£400,000) from ASC Reserves to partly offset the pressures out of a total of £800,000 as a number of customers remain to be transferred to the new contract. Pressures continue within the budget with a net increases of 37 new customers since the last period. The Department is requesting a further £400,000 from ASC Pressures and Demand to assist with the budget pressures.</p> <p>B. There is an additional financial impact of the full year effect of customers from 2015/16. The projected overspend of £1,632,000 has been managed downwards by (£1,172,000) Better Care fund contribution, (£450,000) from Care Act funding and (£400,000) from ASC reserve.</p>

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
				<p>2. Better Care Funding Savings of £412,000 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. At this stage of the year the department is projecting the delivery of the following against this target: Reductions in residential and nursing placements is moving in the right direction with reduction in volumes of placements and supported living with savings of (£1,498,000) factored in. A number of contracts have been renegotiated relating to Elgin and Olive House homes with savings of (£182,000). There is a projected overspend in the PFI budget of £225,000 for Funding Nursing Contribution income shortfall due to reduced client numbers receiving nursing care, which has been offset by proposed drawdown from PFI earmarked reserve of (£133,000). This leaves a shortfall of £412,000 from the £2m target efficiency.</p> <p>3. A projected underspend in Learning Disability Services of (£479,000) The continued management actions from the reviews are leading to reduction of costs of care in LD packages and placements.</p> <p>4. Mental Health Service is projecting an overspend of £554,000 The budget pressures are due to demand pressures in Home Care and an increasing number of 50/50 placements with Health. The department has</p>

Departmental Division	Revised Budget £000	Variance Month 7 £000	Variance Month 6 £000	Variance Analysis
				commenced a review plan which has been provided to the social care mental health lead.
				<p>5. Total projected overspend on Social Care activity is £136,000 The overspend of £62,000 is due to the Customer Journey shortfall in savings due to delays in implementation of the Community Independence Service (CIS) to prevent entry into hospital. There are net budget pressures of £74,000 from Social work practice to additional customer demand.</p> <p>6. Income shortfall of £315,000 on Careline Services This is as a result of an unachievable MTFs measure resulting from no increase in charges. A new review has commenced exploring the options for the service.</p>
Strategic Commissioning & Enterprise	5,461	(90)	(52)	7. There is a small projected underspend of (£15,000) within this Division.
Finance & Resources	7,791		0	
Executive Directorate	544	(15)	(15)	8. Small underspend off in supply services budgets.
Total	58,698	2,465	2,059	
Funding from ASC Pressures and Demand Reserves		(400)		The department is requesting Cabinet approval for additional £400,000 from ASC Pressures and Demand reserves to partly offset the Home Care budget pressures.
Total	58,698	2,065	2,059	

2: Key Risks

Risk Description	Lower Limit £000	Upper Limit £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	3,085	205	2,031
Schemes Delayed / At Risk	£000	Reason			
Various savings are at risk	2,031	The department is projecting a number of savings at risk as a number of these savings are increasingly difficult to deliver year on year.			

4: Supplementary Monitoring Information

Adult Social Care (ASC) is projecting an overspend of £2,465,000 as at end of period seven, which is an increase in the overspend of £406,000 compared to the period six projected overspend of £2,059,000. After funding from the ASC Pressures and Demand reserve of (£400,000) which is proposed for Cabinet approval, this will mitigate the overall pressures to a net projected overspend of £2,065,000 a small change of £6,000 increase in the projection since last Month. Pressures continue within the Home Care and Direct Payment budget with a net increase of 37 customers since the previous period.

The department is expected to deliver savings of £5,321,000 in this financial year and at this stage of the year 58% 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 experienced following the introduction of the Agresso Managed Services system.

Like last year when the department was projecting an overspend for the majority of the year, the action plan delivered reductions in the budget to the extent the department out turned with a (£62,000) underspend. Historically, the Department's budget has had

underlying budget pressures, which were mitigated by using a combination of one off reserves, the carry forward of underspends and funding from health. The Department was unable to carry forward any underspends in 2015/16 and has estimated the budget pressures as detailed in the report for 2016/17. The department anticipates the recovery action plan will be more difficult to achieve a balanced budget by year end and may take the view, in conjunction with the Lead Cabinet Member, to request later in the year funding from Corporate balances to address the structural base budget shortfall.

Refer to overspend action plan in the main report.

APPENDIX 2: CHILDREN'S SERVICES
BUDGET REVENUE MONITORING REPORT – 2016/17 MONTH 7

1: Variance by Departmental Division

Departmental Division	Revised Budget £000	Variance Month 7 £000	Variance Month 6 £000	Variance Analysis
Family Services	29,898	223	87	<p>The increase in the forecast from P6 is mainly as a result of an agreement to fund an estimated budget shortfall in Housing, which is related to the work they do with families who have No Recourse for Public Funds (NRPF) status. An adverse variance of £191k has been created by this pressure on the NRPF service. Children's Services are working with housing colleagues to fully understand and refine the impact.</p> <p>There are a number of salary related pressures within the directorate as follows:</p> <p>MASH (Multi Agency Safeguarding Hub) £11k. Looked After Children (LAC) and Leaving Care Teams £78k. CAS (Contact and Assessment) £150k – 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. Other staffing underspends -£48k - Underspends held within Early Help and Localities, plus Fostering and Adoption teams have helped to offset other small staffing overspends across the directorate.</p>

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
				<p>Virtual Schools £200k - Whilst the confirmation of Pupil Premium (PPG) funding has reduced the forecast pressure, the historic MTFS target is not expected to be met in this financial year.</p> <p>Fostering & Adoption (F&A) -£348k – Within Fostering and Adoption, there are forecast underspends against post order support budgets due to an ageing out of the population. A mid year review of placement numbers has been undertaken to ensure the cohort still expected to come into the service, net of numbers expected to age out of care, remains realistic.</p> <p>LAC and Care Leaver placements -£80k - Budgets including client transport, asylum and remand are forecast to be underspent at year end.</p> <p>Other budget pressures £69k - These relate to delays to the implementation of the shared contact centre have resulted in a shortfall against the MTFS target (£48k), plus other small overspends within the department (£21k).</p>
Education	6,665	(28)	45	<p>SEN (Special Education Needs) £152k - pressures relating to staffing costs for the SEN Transfers Team.</p> <p>CWD (Children With Disabilities) £185k - Staffing pressures across the LBHF CWD service, partially offset by increased income from traded placements.</p> <p>Education Psychology (-£110k) - increased level of</p>

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
				traded income expected to be achieved. Passenger Transport (-£181k) - favourable variance against contract spend. Further small underspends across the directorate within Educational Achievement, Lilla Huset additional traded services and a vacant early years lead advisor post (-£74k).
Commissioning	5,022	194	262	Commissioning Team £476k - Costs relating to additional resource to support the transition to new structure and deliver departmental projects. Contracts and Joint Commissioning (-£262k) – Due to underspends on youth contracts and CAMHS (Child and Adolescent Mental Health Services). Other small underspends -£20k.
Safeguarding, Review and Quality Assurance	1,208	35	61	SQRA is forecast to over spend by £35k in 1617, a favourable variance of -£26k from P6 which relates to the reduction in salary forecasts and confirmation of grant funding. The overspend remains, despite ongoing work to re-structure parts of the service. Prior year MTFS 2013/14 to 2014/15 have not been achieved and in year re-organisation does not result in aligning spend to base budget.
Finance and Resources	4,788	13	(110)	Overall forecast underspend of £13k, which is made up of pressures on salaries of £583k, offset by salary budget to be vired out to departments (-£481k) and an underspend on the 3BM contract (-£89k).
Schools Funding	0	0		

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
Total	47,581	437	345	

2: Key Risks

Risk Description	Lower Limit £000	Upper Limit £000
Passenger Transport - There is a risk that volume decreases within the Sep-16 cohort of pupils could be somewhat reversed if parents successfully appeal some of the decisions with regards to pupil eligibility	0	75
Tower Hamlets Judgement - The likely liability should all connected carers be paid carers fees for prior years as far back as 2011 is estimated to be £2.1m. Work is being undertaken to analyse this further.	0	2,100
Risk of additional high cost placements entering the CWD service.	0	100
No Recourse for Public Funds - The forecast budget shortfall for Housing NRPF families is £191k at P7. This is based on the current families they are accommodating, but this risk represents the estimate from Housing as to possible max budget pressure.	191	484
Total	191	2,759

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	3,040	0	187
Schemes Delayed / At Risk	£000	Reason			
Commissioning of a Children's Services contact service centre	48	Delayed implementation of the service until June 2016			
Disabled Children Team/ The Haven	92	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.			
Total	187				

4: Supplementary Monitoring Information

Overall, Family Services is continuing to see placement costs stabilise. Intensive work has been undertaken around reviewing care leavers placements to try and move them into more sustainable and cost effective placements. This is starting to take effect through increased Housing allocations and quicker closure of cases no longer eligible for Public Funding. In addition, Family Services DMT are looking at options to further mitigate the in-year directorate overspend position for 2016/17.

Following discussion with Housing colleagues, agreement has been reached for Family Services to fund a housing budget shortfall in year in relation to their work with families who have No Recourse to Public Funds (NRFPs). A joint working strategy has been agreed with Housing, in order to review these cases and take appropriate action.

Budget has been established through historic successful growth bids and this spending pressure is sought to be contained within the departmental budget for 2016/17.

The Commissioning directorate is reviewing every opportunity to contain its pressures reported, however the resource required for the current work programme exceeds the available budget resource at present. The clear eligibility criteria developed by the SEN service in close collaboration with parents over the last year has helped reduce the pressure on the Passenger Transport service. Phase 2 of the finance team restructure is due to commence after consultation took place in September. This will deliver savings with the full year effect seen in 2017/18. Refer to overspend action plan in the main report.

APPENDIX 3: CONTROLLED PARKING ACCOUNTS (CPA)
BUDGET REVENUE MONITORING REPORT – 2016/17 MONTH 7

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
Pay & Display (P&D)	(11,808)	(290)	(10)	Income received in 2016/17 from P&D (including phone payments and card payments) is higher than in the same period in the previous year. The introduction of phone payment in some zones has resulted in an increase in the total. It is still early in the roll out plan, so this will be monitored closely to see if the increased income continues.
Permits	(4,496)	(133)	(116)	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)	240	240	The numbers of PCNs issued at the start of 2016/17 were lower than the same period last year, due to a number of vacant enforcement posts. Recruitment has taken place in August and the service is now fully staffed, and the impact is beginning to be seen as we expected.
Bus Lane PCNs	(1,257)	(209)	(217)	The numbers of PCNs issued in 2016/17 are 7.5% less than the same period in the previous year.
CCTV Parking PCNs	0	(6)	(6)	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)	332	332	The numbers of PCNs issued in 2016/17 are significantly lower than in the same period last year (14.15%). 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 £000	Variance Month 7 £000	Variance Month 6 £000	Variance Analysis
Parking Bay Suspensions	(3,223)	(2)	(54)	Income in 2016/17 is similar to the same period last year. The budgeted income was increased by £500k in the 2016/17 budget planning, to match activity.
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	(417)	(338)	Staffing costs are forecast to be underspent by £440k based on current staffing and enforcement posts that have been vacant for part of the year. Supplies and services are forecast to be overspent by £23k.
Total	(22,406)	(472)	(156)	

2: Key Risks

Risk Description	Lower Limit £000	Upper Limit £000
Moving Traffic Offences – risk that driver behaviour changes	0	750
Economic downturn resulting in fewer parking bay suspension requests	0	750
Total	0	1,500

3: Supplementary Monitoring Information

The parking forecast is an underspend of £472k, which is explained in detail 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. Measures have been put in place to ensure the full establishment of CEOs is maintained.

APPENDIX 4: CORPORATE SERVICES REVENUE MONITOR
BUDGET REVENUE MONITORING REPORT – 2016/17 MONTH 7

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
H&F Direct	18,660	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 service is within its overall budget.
Innovation & Change Management (ICM)	(251)	0	0	Cross borough cost recovery (recharges) of shared services are on-going
Legal and Electoral Services	786	0	0	No change
Finance Services	379	0	0	No change
Audit, Risk, Fraud and Insurance	12	(199)	(199)	This is made of one off underspends from: <ul style="list-style-type: none"> ■ £112k on Corporate Investigation team due to 3 vacant posts - recruitment for 2 post are in process: ■ £10k on Internal Audit Supply & Services budget. ■ £77k on Bi-Borough Insurance Service due to refund on S113 staffing charges (overpayment) from RBKC for 2015/16.
Shared ICT Services	(3,388)	0	0	No change
Commercial Directorate	70	40	40	The net adverse variance relates to the non recovery of budgets from departments for savings of £60k assumed from the new stationery contract offset by savings of £20k from a vacant post.
Executive Services	(721)	0	0	
Human Resources	650	0	0	No change

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
Delivery and Value	670	(165)	(165)	£22k underspend is from part year staff vacancy within the service, £8k underspend on Supply & services for Mayoral services and £135k underspend on grants funding.
Total	16,867	(324)	(324)	

2: Key Risks

None

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 – 2016/17 MONTH 7

1: Variance by Departmental Division

Departmental Division	Revised Budget £000	Variance Month 7 £000	Variance Month 6 £000	Variance Analysis
Cleaner, Greener & Cultural Services	21,461	(885)	(765)	(£730k) Waste disposal - £470k one off rebate relating to prior years; £260k other waste disposal due to continuation of reduced recycle charge. (£183k) Waste contract - contract inflation less than budgeted. Proposal to realign with unachievable savings elsewhere in the department is being considered. £74k Overspend in street cleaning. (£46k) Other smaller net underspends.
Safer Neighbourhoods	7,832	610	856	£307k Phoenix Leisure Centre - management fee not reducing due to delayed capital improvement works. Forecast has improved by £40k this month as works have now started, so there is expected to be a part year saving this year. £194k Transport service pressure due mostly to loss of Passenger Transport income following outsource of the service. This is £26k worse than last month due to a further decline in demand that is being reviewed. Forecast assumes part year saving from closing the workshop in January 2017. £158k Overspend projected in park maintenance and care. (£49k) Other smaller net underspends.
Other LBHF Commercial Services	45	29	(15)	£22k - Markets and Street Trading - £30k income shortfall based on year to date actuals, partially offset by salary underspend due to vacant post. Forecast is worse than last month. Options to increase income are being explored. £7k Other smaller net overspends

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
Executive Support and Finance	70	8	8	£8k small net overspend.
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 service budgets are being considered.
Building & Property Management (BPM)	(2,779)	789	496	<p>£543k in Advertising Hoardings – Based on the latest information available for Qtr1, the forecast income from the two Towers will be £751k below budget. However the effect of this adverse movement is offset by income over recovery from the other sites. Given the challenges and uncertainty from the previous year, this area will be monitored closely.</p> <p>£75k - Rent and Other Properties. The unfavourable variance is due to unachievable MTFS savings of £61k and an unachievable income target on Galena Road of £14k.</p> <p>£249k in Civic Accommodation – This is mainly the result of unachievable MTFS savings on the disposal of Fulham Town Hall. The disposal of this property has been delayed due to the expected buyer not producing a scheme that was planning compliant.</p> <p>£35k Technical Support and BPM Business Support – The Overspend relates to staffing costs in Technical Support. Options for generating income and internal recharges are currently being investigated to reduce the overspend.</p> <p>(£100k) Valuation Services – rebate from utility contract of (£30k) and a proposed drawdown from reserve of (£70k) depending on the outturn.</p> <p>(£9k) Building Control – As compared to last month's favourable variance of (£39k), there is an adverse movement due to lower</p>

Departmental Division	Revised Budget £000	Variance Month 7 £000	Variance Month 6 £000	Variance Analysis
				income received in month six of £30k. (£4k) Other smaller underspends
Transport & Highways	13,706	(636)	(410)	(£636k) Transport & Highways -The favourable overall variance is due to staff costs that will be chargeable to projects.
Planning	1,998	229	233	£229k - Planning - The overall unfavourable variance is due to an increase in legal charges and costs. The Planning Division are using existing reserves to fund a proportion of these costs. This leaves unfunded costs of £309k. It is very likely that these costs will increase further during the year. Planning may be seeing the first drop in application for several years. This will affect income if sustained. This is tracked carefully each month. See the Risk Profile in section 2 below for further details.
Environmental Health	3,021	15	23	£15k Licensing Section – The adverse variance mainly relates to shortage of licensing income.
Former TTS Support Services	(726)	0	0	
Total	44,778	309	576	

2: Key Risks

Risk Description	Lower Limit £000	Upper Limit £000
Advertising Hoarding Income – Significant risk due to absence of up to date income information from contractors and uncertainty in income level on some advertising hoarding sites.	550	800
Unfunded Judiciary Review expenditure and exceptional items in Planning Division	310	420
If unplanned costs arise from the termination of the LINK shared service	0	400
Insurance of the Cecil French bequest - currently stored and insured at Sotheby's at nil cost. This arrangement is unable to continue. It is proposed the collection is to be stored in the strong room of Lilla Huset for free but the council will need to fund the insurance costs for which there is no budget.	20	30
The ducting contract remains problematic as the council has received no contract payments yet. The dispute process in the contract is being followed.	0	186
Planning applications may fall leading to a loss of income.	0	100
Total	880	1,936

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		2,669	811	1,317	541
Schemes Delayed/ At Risk	£000	Reason			
Additional Rental income	61	Charge to Amey for accommodation is recharged back to the Council under the contract.			
Accommodation Savings	245	Delays on the purchase from the council of Fulham Town Hall.			
Streetlighting Energy	155	Street lighting LED pilots are running, and plans are in place to roll out across the borough. Currently, the savings are unachieving as a result of a start date that is later than assumed in the budget.			
Environmental Health-Private Sector Housing	38	Improving standards in the Private Rented Sector via licensing. The additional licensing scheme is not expected to come into effect until 2017/18, therefore any saving will not be realised until next financial year.			
Additional filming income	42	The filming location library will not be implemented as quickly as originally planned this financial year.			
Total	541				

4: Supplementary Monitoring Information

This year the Environmental Services budget is seeing the financial impact of a number of factors not within its control, including advertising income, Fulham Town Hall, the Phoenix leisure centre, the transport vehicle workshop and alternative weed treatment. However, it has been able to absorb these pressures from non-recurring sources, principally waste disposal one-off benefits and a strong year for transport and highways projects. Refer to overspend action plan in the main report.

APPENDIX 6: HOUSING DEPARTMENT - GENERAL FUND
BUDGET REVENUE MONITORING REPORT – 2016/17 MONTH 7

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
Housing Strategy, Options, Skills & Economic Development	7,916	20	20	This mainly relates to a forecast overspend of £661k 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 (£63k) due to lower average client numbers (106 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 (£65k) and on Private Sector Leasing (PSL) (£323k), • and income of (£190k) from the DWP New Burdens Fund for the removal of the TA Management Fee Subsidy.
Housing Strategy & Regeneration	8	62	62	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	175	0	0	
Total	8,143	82	82	

2: Key Risks

Risk Description	Lower Limit £000	Upper Limit £000
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.	82	205
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 mitigation, officers are reviewing the application and assessment process and liaising with colleagues from Adult Social Care Services to identify funding.	18	50
Housing Joint Venture - Costs relating to restructuring of the Council's joint venture vehicle are expected to be funded from Section 106. There is a risk that costs may exceed the funding available.	0	100
Economic Development schemes funded by Section 106 - following changes to the treatment of Section 106 funds related to the Earls Court Regeneration programme, officers have identified alternative Section 106 agreements to fund key Economic Development initiatives and Cabinet is expected to approve these in March 2017.	155	295
Total	255	650

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: 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 no change in the forecast since last month. The department continues to work on ways to mitigate this forecast overspend. In addition, there are a number of significant risks to the outturn position which are outlined above in the Key Risks section. Officers are working to mitigate these risks and a further update will be provided next month.

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.

Refer to overspend action plan in the main report.

APPENDIX 7: LIBRARIES AND ARCHIVES SERVICES
BUDGET REVENUE MONITORING REPORT – 2016/17 MONTH 7

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
Libraries Shared Services	3,175	14	14	There is a forecast overspend of £14k for 2016/17. This is partly as a result of a Member decision to offer PC usage for free for the first hour instead of 30 minutes (£10k, this was identified as a risk in P4), and some delays in implementing new income streams, such as weddings at Fulham Library
Total	3,175	14	14	

2: Key Risks

N/A

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		5	15
Schemes Delayed / At Risk	£000	Reason		
Weddings at Fulham Library	15	There has been a delay to launching weddings at Fulham Library, due to issues with setting up card payment facilities. This has led to 6 months lost income. It is hoped that Fulham will be able to take bookings from the end of October.		

4: Supplementary Monitoring Information

Refer to overspend action plan in the main report.

APPENDIX 8: PUBLIC HEALTH SERVICES
BUDGET REVENUE MONITORING REPORT – 2016/17 MONTH 7

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
Sexual Health	5,768	(192)	0	Invoicing is more up-to-date from large suppliers, with credits received for the previous year for under-performance on block contracts leading to a forecast underspend for the year.
Substance Misuse	4,870	(500)	(300)	Lower than expected costs associated with demand-driven detox placements. Forecast reduced as trend shows for the lower cost to be in relation to demand rather than slow invoicing from providers.
Behaviour Change	2,527	(112)	(112)	Health Trainers performance below target with an estimated underspend of £122k; with some minor overspends in Health Checks and Adult Malnutrition.
Intelligence and Social Determinants	60	(10)	(10)	Small underspends on Specialist Project Work and Health Promotion Resource Centre.
Families and Children Services	6,440	293	293	Some proposed savings will not be realised, due in part to delays in procurement and unattainable savings leading to £408k, offset in part by expected savings of £115k in obesity.
Public Health Investment Fund (PHIF)	2,162	39	39	Minor overspends 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	
Drawdown from Reserves	(596)	869	477	The current identified variances will reduce the estimated drawdown from reserves, which is budgeted at £596k and will instead be a contribution of £273k.
Public Health – Grant	(22,516)	(387)	(387)	Invoicing is more up-to-date from large suppliers, with credits received for the previous year for under-performance on block contracts leading to a forecast

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
				underspend for the year.
Total	0	0	0	

2: Key Risks

Risk Description	Lower Limit £000	Upper Limit £000
Awaiting consultation response for Department of Health funding formula	0	1,930
Total	0	1,930

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

N/A.

APPENDIX 9: CENTRALLY MANAGED BUDGETS
BUDGET REVENUE MONITORING REPORT – 2016/17 MONTH 7

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
Corporate & Democratic Core	5,863	0	0	
Housing and Council Tax Benefits	(291)	0	0	
Levies	1,570	0	0	
Net Cost of Borrowing	32	600	600	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)	5,032	(140)	(140)	A favourable variance of £400k on the corporate contingency held to fund the annual uplift in Non Domestic Rates is offset by a £260k adverse variance due to reduced Land Charge income caused by slowdown in housing market activity.
Pensions & Redundancy	9,450	(497)	(497)	Past Service costs less than budgeted.
Total	21,656	(37)	(37)	

2: Key Risks

Risk Description	Lower Limit £000	Upper Limit £000
Risk of lower income due to interest rates movements resulting from Brexit.	0	500
Total	0	500

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

Centrally Managed Budgets		MTFS Target	On Track	In Progress	Delayed/ At Risk
		£000	£000	£000	£000
Total MTFS Savings		1,050	550	0	500
Schemes Delayed / At Risk	£000	Reason			
Investment Income	550	Interest rate movement following Brexit means saving will not be delivered			
Total	550				

4: Supplementary Monitoring Information

Currently there is £1.4m of commitments to be funded from unallocated contingencies. This leaves a balance of £0.9m.

APPENDIX 10: HOUSING REVENUE ACCOUNT
BUDGET REVENUE MONITORING REPORT – 2016/17 MONTH 7

1: Variance by Departmental Division

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
Housing Income	(76,571)	0	0	
Finance and Resources	15,055	(499)	(499)	This underspend mainly relates to vacant posts (£150k), lower than expected redundancy costs (£100k) and other minor underspends (£139k) including a delay in IT project spend. Additionally, legal costs are expected to be lower than budgeted (£110k).
Housing Services	12,839	33	24	This includes an increase in grounds maintenance contract costs of £201k. These additional costs will be partially offset by (£168k) projected underspends in parking consultancy and hired and contracting services.
Strategic Housing Stock Options Transfer	0	0	0	
Property Services	2,699	0	0	
Housing Repairs	13,869	0	0	
Housing Options HRA	350	(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	241	24	24	This relates to refurbishment costs at Mund Street, which are forecast at £24k.
Safer Neighbourhoods	585	0	0	
Housing Capital	29,824	(107)	(107)	A reduction in debt servicing costs (£158k) due to lower than expected levels of borrowing is offset by a reduction in interest earned on HRA balances of £51k following a deterioration in the rate of interest on short term investments (from a budget of

Departmental Division	Revised Budget	Variance Month 7	Variance Month 6	Variance Analysis
	£000	£000	£000	
				0.55% to 0.3%) caused by a reduction in the base rate.
(Contribution to)/ Appropriation From HRA	(1,061)	(563)	(572)	

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
Advertising Income: A delay to the pruning of trees obscuring the hoardings at Falkland House on the West Cromwell Road is likely to result in a loss of income. Officers are engaging with Transport for London to gain access to enable the Council to carry out the pruning.	50	200
Termination of IT contract: the contract with Hammersmith & Fulham Bridge Partnership has terminated 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	50	400

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)	(563)	(20,144)

5: Supplementary Monitoring Information

The Housing Revenue Account is forecast to show an underspend of (£563k) against the budget for 2016/17. This represents a minor movement of £9k since last month. However, the forecast underspend needs to be considered in the context of a number of risks as outlined in the Key Risks section above.

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

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

APPENDIX 11: VIREMENT REQUESTS

Details of Virement	Amount £000
GENERAL FUND:	
<p>Department: Adult Social Care</p> <p>A request for Cabinet approval for a virement of £400,000 from the ASC Pressures and Demand reserves to partly offset budget pressures.</p>	<p>Debit (DR) £400 Adult Social Care</p> <p>Credit (CR) (£400) ASC Pressures and Demands Earmarked reserve</p>
<p>Department: Corporate Services</p> <p>Funding for the fixed term post (18 months) Director of Resident Satisfaction</p> <p>Funding to extend the post contract to March 2017 for the Interim Director of Improvement and Integration</p>	<p>DR £160K Corporate Services (H&F Direct) CR (£160K) Earmarked reserve Customer Service</p> <p>DR £100K Corporate Services (Managed Services Project) CR (£100K) Earmarked Reserve - Managed Services</p>
Total General Fund Virements (Debits)	660
Housing Revenue Account (HRA)	
Total HRA Virements (Debits)	0

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">16 JANUARY 2017</p>	
<p style="text-align: center;">DIRECT AWARD OF CONTRACT FOR BANK SERVICES – BUSINESS CASE</p>	
<p style="text-align: center;">Report of the Cabinet Member for Finance – Councillor Max Schmid</p>	
<p>Open Report</p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Peter Carpenter – Interim Director of Treasury and Pensions</p>	
<p>Report Author: Peter Carpenter, Shared Services Director of Treasury and Pensions</p>	<p>Contact Details: Tel: 020 7641 2832 E-mail: pcarpenter@westminster.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. 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.
- 1.2. The Council requires banking services contract in order to provide statutory functions.
- 1.3. Initially a shared services tender was proposed as part of the Managed Services. Negotiations with British Telecom (BT), who is the Managed Services provider for the 3 councils, were undertaken to establish the costs. The councils were advised by BT that the change of bank provider or account details would cost each Council £150,000. This excessive cost together with the risks of changing banks whilst a range of issues outstanding with BT has led officers to recommend not to change banks.

- 1.4. It is proposed that this Council make a direct award to the Royal Bank of Scotland for two years until the 31st March 2019 the expected nominal value of the contract is £120,000 which is below the statutory thresholds that would trigger a formal procurement exercise.

2. RECOMMENDATIONS

- 2.1. That approval be given to waive the competition requirements contained in the Council's Contract Standing Orders and approve a direct award of a banking services contract to the Royal Bank of Scotland Plc for a period of two years from 1st April 2017 to the 31st March 2019 for the notional sum of £120,000.

3. REASONS FOR DECISION

- 3.1. The Council requires banking facilities to cover all main banking services e.g. bank accounts, BACS, CHAPS and cheques payments and receipts and cash handling facilities.

4. PROPOSAL AND ISSUES

- 4.1. The Council has appointed Royal Bank of Scotland as the main provider of banking services. The current contract expires on 31st March 2017 and this report recommends that RBS is re-appointed by a direct award for a further two years to 31st March 2019. The existing contract was originally signed in April 2007, for a period of five years, followed by a number of extensions to the 31st March 2017.

Financial Information

- 4.2. See appendix 1 – (as set out on the exempt part of the Cabinet agenda).
- 4.3. The cost of individual elements of the banking contract has been compared with the costs incurred by the other shared service boroughs, and has been found comparable.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. The annual cost during the last financial year for banking services was £90,000. A review of services received has indicated that one element of the service, the provision of hard copy transaction backing documentation is not required, thereby reducing the annual expenditure by £30,000 to give an overall annual cost of £60,000 or £120,000 over the term of the contract.

- 5.2. The cost of individual elements of the banking contract has been compared with the costs incurred by the other shared service boroughs, one using Lloyds and another RBS, and found to be comparable.
- 5.3. The table below sets out the total bank charges incurred by the Council over the past three years.

	2013-14 £	2014-15 £	2015-16 £
Total Bank Charges	88,260	86,320	90,000

Bank charges should be reducing as information to support bank transaction is received electronically rather than in paper form. In addition, costs will fall as more payments are made and received by lower cost methods. The increase experienced in 2015-16 results from a far higher volume of CHAPS and Faster Payments at a higher unit charge than would normally be expected. 2015-16 was the first year of the Managed Service operation by BT, and teething troubles led to this cost increase which is not expected to re-occur.

- 5.4. Previous intentions had been to carry out a joint procurement exercise for banking services with the Royal Borough of Kensington and Chelsea and Westminster City Council, possibly using a framework agreement. However, discussions with BT indicated that there would be a one off cost of £150,000 to make the necessary systems changes to facilitate a change of bank. This cost is broadly equivalent to two years banking charges and means that there is no conceivable way at present that a change of banking services provider will generate economic benefits to the Council.
- 5.5. In normal times a change of bank is a time consuming process involving updating systems, changes of stationary and communication with residents, customers and suppliers who are required to redirect payments to the new account. Completion of the change can take up to two years before the old bank accounts can be closed and there is considerable officer time in moving funds and communicating with residents etc.
- 5.6. At the present time when there are considerable issues with the Managed Services Provider, adding additional strain through changing bank provider is unwise. It is also unclear whether BT has technical capacity to implement the required banking change at the present time.
- 5.7. Four banks dominate the provision of banking services to local authorities in the UK. Listed by use, these are Royal Bank of Scotland, Lloyds, Barclays and HSBC. The Coop Bank who was a major player has withdrawn from the market. The challenger banks have shown little interest in the market, being focused on retail customers.
- 5.8. The selection of a main banking provider as no impact on staff or residents, other than the time required to action any change.

- 5.9. The contract will be to cover banking services to the Council. It is not possible to sub-divide this into smaller lots. Separate contracts are in place for dealing with credit and debit card transactions and banking services is concerned with BACs, CHAPs, cheque and cash movements.
- 5.10. The new contract will run for two years. It is hoped that during that period issues with MSP will be resolved and it will be possible to undertake a re-tender either solely or jointly with the other shared service boroughs.

6. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFIT

In addition to cost efficient and effective banking services, RBS has indicated that different Social Values will be applicable to different stakeholders. RBS have proposed the following suite of social values can be provided to residents in the following areas

- All residents should have access to a bank account and Basic Financial Education. This will include engagement with children in care, and those leaving care.
- Every secondary school to have access to financial education for pupils by providing workshops within schools.
- Build-A-Business Workshop to provide half-day competitive workshop to students across the borough, with a view to offering work experience to the 'winning' school team.
- Apprenticeships / Internships – whilst we are unable to allocate any specific places to residents in Hammersmith & Fulham RBS could ensure that students in the borough are made aware of the opportunities. This could be by way of simple communication programme or Build-A-Business workshops, where a more detailed review is undertaken to a select group of students.
- Supporting Enterprise through Business Start Up Surgeries, Mobile Business School, and Business Academy.
- Provide on-going support in respect of 'Hammersmith Means Business' events alongside the Federation of Small Businesses (FSB)
- Understanding and profiling of volunteering opportunities for RBS staff within Hammersmith & Fulham. This should be around longer-term opportunities for skills-based volunteering, rather than 1-day garden projects, for example.

RBS will be required to report annually on social value delivered through these initiatives.

7. OTHER STRATEGIC POLICY OBJECTIVES

- 7.1. The provision of banking services does not interact with any other Council policy objectives.

8. STAKEHOLDER CONSULTATION

- 8.1. The key stakeholders are residents, business customers and suppliers. As no change in planned there will be no impact for external stakeholders.

9. PROCUREMENT PROCEDURE

- 9.1. As discussed above, a direct award is recommended.

10. CONTRACT AWARD CRITERIA

- 10.1. The recommendation to re-appoint RBS is derived from previous tenders' submitted to the Council, under which, RBS was competitively selected. The proposed new contract will maintain current service standards and involve a price reduction for the service.

11. PROJECT MANAGEMENT AND GOVERNANCE

Project Management

- 11.1. The senior responsible officer is the Strategic Director of Finance and officers with the Finance team will monitor the provision of services.

Indicative Timetable

- 11.2. The proposed new contract will commence on 1st April 2017.

Contract Management

- 11.3. The contract will be managed by the Director of Treasury and Pensions. Performance will be reported to the Cabinet Member for Finance.

Appendix: RBS Banking Fee Schedule (as set out on the exempt part of the Cabinet agenda).

12. LEGAL IMPLICATIONS

- 12.1. This report's recommendation is for the Cabinet to approve a direct award of a new contract to the Royal Bank of Scotland Group PLC (RBS).
- 12.2. It is noted that the proposed contract to be entered into by the Council will be with the incumbent service provider. Albeit that the contract value is below the EU threshold, the Council should ensure that it complies with the principles of transparency and equal treatment of economic operators.
- 12.3. For the direct award of the contract to become effective, a waiver is required in accordance with the governance of the Council's Contract Standing Orders.
- 12.4. Implications verified/completed by: Sharon Cudjoe, Solicitor – 020 7361 2993 (29.9.16)

13. FINANCIAL IMPLICATIONS

- 13.1. The Council's banking contract underpins the Council's banking services which is a business critical function.
- 13.2. The forecast cost of £120,000 over two years is in line with historic costs.
- 13.3. Implications verified/completed by: Christopher Harris, Head of Corporate Accountancy and Capital, tel. 0208 753 6440

14. PROCUREMENT IMPLICATIONS

- 14.1. The recommendation to waive the competition requirement contained in the Council's CSO is supported on the basis that commercial costs of updating back office financial systems currently being managed by BT through the Managed Services contract far outweighs the potential value of proposed bank changes (as set out in 5.1 above).
- 14.2. Implications verified/completed by: Alan Parry, Interim Head of Procurement (Job-share). Telephone 020 8753 2581

15. IMPLICATIONS FOR BUSINESSES

- 15.1 This report's recommendation is for the Cabinet to approve a direct award of a new contract to the Royal Bank of Scotland Group PLC (RBS).
- 15.2 It is noted that the proposed contract to be entered into by the Council will be with the incumbent service provider, and that this new contract

will have include SMART targets relating to social value, local economic and community benefit. This will include in particular, and in relation to businesses 'Supporting Enterprise through Business Start Up Surgeries, Mobile Business School, and Business Academy, plus, support for the Council's enterprise programme and support for small businesses through LBHF's 'Hammersmith Means Business' events'. As per section 6 of this Report.

15.3 It is expected that economic and community benefit will be clearly identified and detailed in the new contract; and that in addition, these benefits are monitored by the client management team for this contract, and reported back to economic development and Members on a regular basis.

15.4 Implications verified/completed by: Antonia Hollingsworth, Economic Development, (14.11.16)

16. LIST OF APPENDICES:

RBS/ National Westminster Bank - Proposed charges (on the exempt part of the Cabinet agenda).

Agenda Item 10

London Borough of Hammersmith & Fulham CABINET 16 JANUARY 2017	 hammersmith & fulham
ENFORCEMENT AGENT CONTRACT	
Report of the Cabinet Member for Finance – Councillor Max Schmid	
Open Report	
Classification - For Decision Key Decision: Yes	
Wards Affected: All	
Accountable Director: Hitesh Jolapara, Strategic Finance Director	
Report Author: Jamie Mullins, Head of Recovery	Contact Details: Tel: 020 8753-1650 E-mail: Jamie.Mullins@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The council currently employs 2 Enforcement Agent Companies (Newlyn's Plc & Whyte & Co) to assist in the recovery of unpaid Council Tax and Business Rates. The current contracts have been in place since 2003 and have been extended recently to ensure the service was maintained. Enforcement Agents collect their fees, which are now laid down in legislation, from the debtors who owe the outstanding amounts. These fees collected by the Enforcement Agents can range from £300k - £400k per year.
- 1.2. However, to satisfy current legislative requirements, the Council needs to undertake a procurement process to employ 2 Enforcement Agent Companies to continue to support recovery in both aforementioned revenue areas. The proposal is to award a contract for a minimum of 4 years through a Dynamic Purchasing System let by the Yorkshire Purchasing Organisation (YPO), which the Council can access. The cost of access to the YPO framework is £1,500.00.
- 1.3. As part of any specification, suppliers will be required to have Vulnerability Policies and be influenced to include Social Value options and we will assess provider's commitment as part of our evaluation mechanism. This will include strict guidelines for the collection of debt from households that may contain

children, with the council seeking advice for the guidelines from charities that work with children and debt advice services.

- 1.4. A Vulnerability Policy should be based on what steps a supplier would take should there be a case where a vulnerable person has been identified. Any Policy should include the National Standard guidelines for taking control of goods and Enforcement Agent's responsibilities to protect those who are vulnerable or socially excluded. Whilst there is no legal definition of a vulnerable person, a vulnerable adult could include older people, disabled people, a seriously ill person, recently bereaved, single parent families, pregnant women, anyone over the age of 18 who has a learning disability or a mental health problem or somebody who has difficulty in understanding, speaking or reading English. Any policy should also include training for staff to be able to identify when a person is vulnerable and understand what steps to take and to avoid causing distress to children.
- 1.5. As this market is a nationally managed market, there are no known local providers in the field. However, it is expected that Social Values should include apprenticeships for local people, training, workshops etc with no extra cost to the Council.

2. RECOMMENDATIONS

- 2.1. To approve the re-procurement of enforcement agents to assist in the recovery of unpaid Council Tax and Business Rates through the use of a Dynamic Purchasing System set up by the Yorkshire Purchasing Organisation (YPO).
- 2.2. To waive the competition requirements contained in Contract Standing Orders and to approve to carry on the current arrangement with the existing suppliers until the 31st March 2017 to ensure continuity of service delivery.
- 2.3. To note and approve the cost involved in accessing the YPO's Dynamic Purchasing System is £1,500.00.
- 2.4. To delegate the decision to award the contract to the Strategic Finance Director (Hitesh Jolapara) in consultation with the Cabinet Member for Finance (Councillor Max Schmid).

3. REASONS FOR DECISION

- 3.1. Enforcement Agents are a vital additional resource for the collection of both outstanding council tax and business rates. They recover approximately £1.5m per year for the council and recover their fees direct from the debtor. There is no cost to the Council.

- 3.2. The YPO has established a Dynamic Purchasing System (that meets the requirements of the Public Contracts Regulations 2015 (as amended) which allows the Council to have access to 21 pre-qualified suppliers of this service who have met the industry standards of economic and financial standing, acceptability and capacity. Furthermore, the YPO will facilitate the procurement on the Council's behalf through their e-procurement portal.
- 3.3. The YPO will provide access to template documents which have been developed in conjunction with the civil enforcement industry.
- 3.4. The use of the Dynamic Purchasing Systems will speed up the process substantially with a view to having new contractual arrangements in place by April 2017. The current contract expires on the 31st October 2016 and both Enforcement Agents currently appointed have agreed to continue on the same terms until a decision is made.

4. PROPOSAL AND ISSUES

- 4.1. The main issue is that if we do not take the opportunity of using the YPO'S Dynamic Purchasing System to source enforcement agents and decide as an alternative to conduct our own procurement exercise, it would delay the award of new contracts for probably 8 to 10 months.
- 4.2. The use of a DPS as a means of sourcing suppliers is an efficient means of procurement for the Council as it saves significant costs in officer time in not only preparing the contract documents, but also managing tendering and evaluation processes

5. OPTIONS AND ANALYSIS OF OPTIONS

The following options have been considered:

- 5.1. Do nothing. This is not an option as the Council needs this service to enforce compliance and deliver income that it is owed.
- 5.2. Secondly, consideration was given to running its own tender exercise, but it will take months to complete and be an inefficient use of the Council's resources.
- 5.3. The third option was to identify a potential framework agreement or other similar arrangement that the Council could access. The YPO is a central purchasing body that provides centralised purchasing and ancillary purchasing activities compliant with the public Contract Regulations 2015 (as amended). In this regard, it has been established that the Council has access to the Dynamic Purchasing System that the YPO has established. Whilst there is a fee of £1500.00 to access the DPS, it is considered the preferred option as it would significantly speed up the procurement process.

6. CONSULTATION

- 6.1. No consultation was required.

7. EQUALITY IMPLICATIONS

- 7.1. No risk of negative equality impacts have been identified arising from the recommendation of this report to proceed with this process to award a contract to 2 Enforcement Agent Companies.
- 7.2. The impact on the residents and businesses of the borough will remain the same as any new contract arrangement will provide an equivalent level of service to the current provision.

8. LEGAL IMPLICATIONS

- 8.1. The proposed contract is a service concessions contract and is subject to the Concession Contracts Regulation 2016 (CCS) as the value of the contract exceeds £4,104,394.00 to which the CCS applies. The Council is required to comply with the CCS which includes the requirement to publish a concession notice.
- 8.2. Implications verified/completed by: Kar-Yee Chan, Solicitor, 020 8753 27

9. FINANCIAL IMPLICATIONS

- 9.1. The main financial implication is the continued recovery of outstanding council tax and business rate income as outlined in section 3.1 above. The one off costs of £1,500 for procuring this service via the Yorkshire Purchasing Organisation can be met from existing budgets.
- 9.2. Implications verified/completed by: (Gary Ironmonger, Finance Manager Extn 2109).

10. IMPLICATIONS FOR BUSINESS

- 10.1. This is a contract to employ Enforcement Agents for the recovery of outstanding Council Tax and Business Rates due to the Council. As noted in section 1.5 above, the tendering process and final contract will ensure that as much social value is extracted from this contract as possible, with a view to the contractor signing up to obligations to provide employment opportunities to local residents and also sourcing supplies and materials from within the borough.

- 10.2. Implications verified by Antonia Hollingsworth, Economic Development Learning & Skills Tel:020 8753 1698

11. RISK MANAGEMENT


- 11.1. Market testing, delivering the best possible service at lowest cost to the local taxpayer is a key corporate risk, risk number 4 on the corporate risk register. The service deals with a highly sensitive issue and as such is also noted on the council's risk register associated with delivering a legal duty to the public purse through recovery of debts owed to the council.
- 11.2. Implications verified by: Michael Sloniowski, Risk Manager, telephone 020 8753 2587.

12. PROCUREMENT

- 12.1. The Corporate Procurement Team, as part of its support for this project, identified the Dynamic Purchasing System being offered through the Yorkshire Purchasing Organisation as a potential solution. The recommendations contained in the report are supported as a way forward.
- 12.2. Implications verified by: Alan Parry, Interim Head of Procurement, (Job – Share) Telephone 020 8753 2581

13. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

- 13.1. None

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>16 JANUARY 2017</p>	
GRADUATE PLACEMENT FRAMEWORK RELET	
Report of the Cabinet Member for Finance – Councillor Max Schmid	
<p>Open Report</p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
Wards Affected: None	
<p>Other services consulted:</p> <ul style="list-style-type: none"> • Legal Service • Procurement Services • Finance Service 	
Accountable Director: Debbie Morris, Shared Services Director of Human Resources	
<p>Report Author: (name and title) Veronique Vermeer, Bi-Borough Contracts Manager</p>	<p>Contact Details: Tel: 07747007300 E-mail: Veronique.Vermeer@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The council has currently an internship programme in place. The programme has a twofold objective. The first objective is to enhance the employability of those participating in it, with preference given to local residents. The second objective is to contribute to cost reductions and provide options to service managers.
- 1.2. Interns undertake core business activities generally working in roles at grades Scale 5 to SO2 and are paid the London Living Wage
- 1.3. Following due procurement processes, a pan London framework was let by the Council on behalf of other London councils for a period of 4 years

and expires on 22nd May 2017. To date, 11 councils have called off from the framework. There is no option to extend the framework. Call off contracts expire on the same date. There is an ongoing demand for provision of the service both from the Council and other London councils. No other frameworks exist. It is therefore necessary to ensure that a new framework is put in place to deliver an ongoing programme that both the Council and other London councils can access.

- 1.4. This report provides a business case for continuing with a framework arrangement, renaming it as a graduate placement programme, details procurement options and makes recommendations for the preferred procurement strategy.

2. RECOMMENDATIONS

- 2.1. That approval be given for the London Borough of Hammersmith and Fulham to run an open tender to let a framework for a period of 4 years for the provision of a graduate placement programme. That the framework is made available to other London councils and the City of London Corporation.
- 2.2. If the notional contract value exceeds £5,000,000, that delegated authority be given to the Shared Services Director for Human Resources, in consultation with the Cabinet Member for Finance, Cllr Max Schmid, to award the proposed framework.
- 2.3. That delegated authority be given to the Shared Services Director for Human Resources, in consultation with the Cabinet Member for Finance, Cllr Max Schmid, to award a call off contract from the framework for the London Borough of Hammersmith and Fulham.
- 2.4. That delegated authority be given to the Shared Services Director for Human Resources, in consultation with the Cabinet Member for Finance, Cllr Max Schmid, to enter necessary contractual arrangements to enable other London councils (as defined as part of the tender process) to access the Graduate Placement Framework, once awarded.

3. REASONS FOR DECISION

- 3.1. A graduate placement programme enables the Council to engage with the local community and grow their own talent while tackling unemployment in the Borough. Although a permanent job is not guaranteed at the end of the placement, individuals can apply for any vacancies and utilise the experience gained. Continued provision of the graduate placement programme will support the organisation's ambition to be the best, support economic growth by enabling improved job skills and opportunities for residents and link to the council's Staff Improvement Framework. As at October 2016, there are 18 graduate placements with the council.

- 3.2. Feedback at the London Councils' Heads of HR forum confirms that the framework is working well and that there is a desire that the framework continue to be provided in a similar manner with the council as lead authority.

4. STRATEGY

- 4.1 The new framework will mirror existing operating principles, namely,
- Graduate Placements will undertake core business activities, replacing the need for agency and other temporary staff typically in the internal grades Scale 5 to S02. (£23,895- £33,294 pa)
 - Graduate Placements will be employed by the provider of the framework for the duration of their placement
 - Each placement will last for a maximum of 12 months
 - Preference will normally be given to candidates resident in the council's area, although other applicants will be considered.
 - Graduate Placements will be paid the London Living Wage, where councils have signed up to do so
 - The placement although essentially an exchange of services for work experience, will have an element of learning.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. Several options have been actively considered in determining the most appropriate route to procurement for letting a graduate placement framework.

5.2. Delivery of the service in-house

- 5.2.1. It is not feasible for the recruitment, selection, and administration of placements to be undertaken internally due to the known volume of applications. For example, during the pilot scheme, up to 100 applications were received for each of the available roles. The Council does not have an established platform or expertise to effectively market graduate placements.

5.3. Alternative Frameworks or Schemes

- 5.3.1. No alternative frameworks offering the services required in terms of search, selection, placement, administration and payrolling of graduate placements are available

5.4. Alignment with current Apprenticeship and/Or Graduate Training Schemes

- 5.4.1. Delivery of graduate placements programs is established with a clear understanding in the market of the difference between schemes aimed at

graduates, apprentices, supported employment and the focus of potential suppliers.

5.4.2 Graduate Placements is a system of on-the-job experience for office based and professional careers. Placements will be university students, undertaking work experience after their studies. Generally, the placement works as an exchange of services for experience. This is to be contrasted with an apprenticeship program that trains you to do a specific job and includes a mix of on-the-job training, work experience, and formal, classroom-based learning. At the end of your apprenticeship, you'll will receive a formal qualification and the skills needed to work in your chosen field. For example, Ealing, Hammersmith and West London College provide a service targeted at apprenticeships. The schemes are therefore distinct in terms of content, duration, level of work delivered, target audience and purpose. The proposed framework will therefore be called the Graduate Placement Framework to make the distinction clear.

5.5. Procurement of either a contract solely for use by the Council or a framework which other London Boroughs can access.

5.5.1. A Framework agreement offers several significant advantages:

- Once established, the process for individual call offs is faster and less costly than if each requirement had to be procured separately;
- They are more attractive to the market place because they offer the potential of larger orders;
- For the same reason they can be used to achieve better pricing and discounts
- No other borough has indicated an intention to procure services to deliver a graduate placement programme but have instead expressed interest that the current framework be continued with the council as lead authority.

6. CONTRACT PACKAGE, LENGTH AND SPECIFICATION

6.1. The framework will be let for a four-year period. Call of contracts will have maximum contract period of 5 years from the date of the Framework Agreement. Commencement date of an individual call off contract may be subsequent to the date of the framework agreement, but all expiry dates of call off contracts will be co-terminous.

6.2. Delivery of the services may be by a single provider, partnership arrangement or consortium

6.3. Delivery of the service will comprise attraction, selection and placement of the graduate, administration, and management of the programme (including payrolling).

6.4. The fee payable to the provider per graduate will comprise 2 elements:

- The service fee for delivery of the programme: which prices will be kept the same for the duration of the framework.
- The wage payable for the graduate which may rise due to changes in legislation.

6.5. Where the graduate is offered a permanent role with the council at the end of his or her placement , there will be no further fees payable to the provider.

6.6. It is anticipated that mobilisation of a new contract will be low risk. Graduate placements are time limited. There are no mandatory systems interface requirements. Processes to ensure that council data is updated and maintained are already in place

7. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFITS

7.1. The successful provider of this contract will be required to promote the most appropriate communication and sourcing channels to encourage applications and raise awareness within the local community.

7.2. The council has signed up to the London Living Wage for payment of graduates.

7.3. Intelligence will be gathered by the provider regarding the marketplace and sustainability of the programme.

8. CONSULTATION

8.1. In accordance with s8(3) of the council's Standing Orders, The Director for Procurement & IT Strategy has been consulted.

8.2. In accordance with s8(3) of the council's Standing Orders, the Director of Law has been consulted on the terms and conditions of the proposed framework agreement, access agreement and call off contracts.

8.3. Engagement with London councils and the current supplier plus feedback obtained on the current service has been used to inform requirements

8.4. Feedback on the current service challenges and opportunities is provided to the Shared Services Head of People Management or authorised representative.

8.5. Key Services users will be invited to inform the evaluation process.

9. EQUALITY IMPLICATIONS

- 9.1. There are no age restrictions for graduate placements. Although placements are targeted at a certain level equated to a vacant evaluated position, graduates will carry out requirements of the job commensurate to the wages paid. The contractual arrangements with the provider will stipulate compliance with the Council's Equal Opportunities Policy.
- 9.2. Equality and Diversity are key criteria at the invitation to tender stage of the procurement process and will form part of the selection process. The successful provider will be expected to make a strong positive contribution to the delivery of equality and diversity through the graduate placement programme. It will include a commitment to monitor and review fairness and equality throughout the process of attraction, selection, and placement and, where appropriate agree action to improve diversity in recruitment

10. FINANCIAL INFORMATION

- 10.1. Budgetary responsibility for graduate placements rests with the individual services within the Council that request a placement.
- 10.2. Spend comprises the fee for delivery of the service by the provider plus the London Living wage payable by the provider to the graduate placement and charged to the Council.
- 10.3. Spend in the last financial 15/16 equated to £297,000 for the council and £1,222,000 for all participating councils
- 10.4. Costs incurred in re-letting of and ongoing management of the framework will be absorbed by the councils accessing the framework.
- 10.5. Implications verified by Andrew Lord, Head of Strategic Planning and Monitoring, Corporate Finance, 020 8753 2531

11. LEGAL IMPLICATIONS

- 11.1. The contents of the report are noted. Provided that Council policy is followed in relation to the Equality Act 2010 and associated policies.
- 11.2. The Opportunity to bid for the Framework should be advertised in the OJEU in order to meet the requirements stated in the Public Contracts Regulations.
- 11.3. Implications verified/ completed by Jonathan Miller, (Contracts and Employment Team), Shared Legal Services, 07779333041

12. IMPLICATIONS FOR BUSINESS

- 12.1. The successful provider of this contract will be required to promote the most appropriate communication and sourcing channels to encourage applications and raise awareness within the local community.

13. PROCUREMENT PROCEDURE

- 13.1. The procurement process for a new contract is laid down in the Council's Contract Standing Orders (CSOs). The process will be overseen by the Corporate Procurement Team who will provide strategic advice and guidance.
- 13.2. The intention is to conclude a procurement process using the open procedure in compliance with EU and UK Procurement legislation. Minimum standards have been set for suitability to pursue a professional activity, economic and financial standing, technical and professional ability and insurances in order for the tender to be evaluated. Bidders will submit answers in terms of quality and price. Award will be made on the basis that the successful supplier's bid represents the most economically advantageous offer.
- 13.3. Implications verified/ completed by Alan Parry Interim Head of Procurement (Job-share) Telephone 020 8753 2581

14. CONTRACT AWARD CRITERIA

- 14.1. It is the intention to award the contract to the supplier that has tendered the most economically advantageous offer to the council.

15. PROJECT MANAGEMENT AND GOVERNANCE

- 15.1. Management of the contract is currently with the Shared Services Director for Human Resources. A Service Review Team (SRT) established by the Shared Services Director includes senior members of the HR team, key service users, the Shared Services HR Contract Manager and relevant officers to inform the procurement timetable and supporting documentation such as the specification.
- 15.2. The Evaluation Panel will be chaired by the Shared Service Head of People Management, with the Shared Services Director of HR as sponsor and will include a senior member of the HR team and Shared Services Contracts Manager. It will consult and engage relevant professional officers in legal, finance and procurement.
- 15.3. The procurement exercise will be undertaken using the Council's e-tender software

16. INDICATIVE TIMETABLE


Activity	Dates and Deadlines
Publication of opportunity	w/c 23 January 2017
Last date for receipt of queries	w/c 20 February 2017
Closing Date for submission of Tenders	w/c 27 February 2017
Award of Contract by Council	w/c 24 April 2017

17. CONTRACT MANAGEMENT

- 17.1. Post award, the contract will be managed by the Shared Services Head of People Management or authorised representative.
- 17.2. There are 2 aspects to the contract management namely management of the framework and management of the council's own call off contract. In terms of the framework, the Council as lead authority will not be involved in the day to day management of the provider and the services supplied to other councils, but will monitor progress and performance of the arrangements throughout the entire duration of the framework to ensure that customer needs are being adequately met.
- 17.3. Key Performance Indicators and Performance Measures will be used to monitor, and measure the contractor's performance. These include the ability to:
- provide the most appropriate team to deliver a consistent and robust service
 - provide quality and timely applications
 - attract local residents to apply
 - minimise placement turnover through quality interview and selection processes.
 - provide robust market intelligence and management information
 - review performance to ensure continuous development and improvement

BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">16 JANUARY 2017</p>	
<p style="text-align: center;">RECRUITMENT ADVERTISING AND RELATED CONTRACTS</p>	
<p style="text-align: center;">Report of the Cabinet Member for Finance – Councillor Max Schmid</p>	
<p>Open Report</p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: None</p>	
<p>Other services consulted:</p> <ul style="list-style-type: none"> • Legal Service • Procurement Services • Finance Service 	
<p>Accountable Director: Debbie Morris, Shared Services Director of Human Resources</p>	
<p>Report Author: (name and title) Veronique Vermeer, Bi-Borough Contracts Manager</p>	<p>Contact Details: Tel: 07747007300 E-mail: Veronique.Vermeer@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

1.1. Background

- 1.1.1. This report provides the business case for provision and delivery of 5 HR contracts relating to recruitment namely:
- 1.1.1.1. Recruitment Advertising
 - 1.1.1.2. Microsites (Recruitment system)
 - 1.1.1.3. Executive Search and Selection
 - 1.1.1.4. Interim Search and Selection
 - 1.1.1.5. Outplacement Services.

- 1.1.2. The need to procure services for Executive Search, Interim Search and Outplacement Services has arisen solely due to the early termination of the existing Framework under which current services are provided.
- 1.1.3. It is intended to access current suppliers under the relevant ESPO Framework for interim and executive search for the duration of that framework.
- 1.1.4. For the provision of microsites and outplacement services, it is the intention to call off without further competition from the relevant ESPO Framework to achieve best value and maintain stability and continuity of provision where required.
- 1.1.5. The recruitment advertising contract is due to terminate without the option for an extension. It is the intention to run a further mini competition from the relevant ESPO Framework to determine the successful provider for the council.
- 1.1.6. Award of contracts is as set out in the Council's Contract Standing Orders

2. RECOMMENDATIONS

2.1. Contract for provision of Recruitment Advertising

- 2.1.1 That ESPO Framework 3A- Advertising Solutions be utilised to run a mini competition to secure the services of a recruitment advertising provider under lot 1 of the said framework for a 2-year period with an option to extend for a further 2 periods of 12 months each.
- 2.1.2 That the Shared Services Director for Human Resources be given delegated authority, in consultation with the Cabinet Member for Finance, Cllr Max Schmid to enable any extensions of the contract as set out in para 2.1.1 following the initial 2-year period.

2.2. Contract for Provision of a Microsite

- 2.2.1 That ESPO Framework 3A- Advertising Solutions be utilised to call off without further competition to secure systems (a microsite) from a single supplier, under lot 4 of the said framework for a 2-year period with an option to extend for a further 2 periods of 12 months each.
- 2.2.2 That the Shared Services Director for Human Resources be given delegated authority, in consultation with the Cabinet Member for Finance, Councillor Max Schmid, to enable any extensions of the contract as set out in para 2.2.1 following the initial 2-year period.

2.3. Contracts for both Interim Search and Selection and Executive Search and Selection

- 2.3.1 That ESPO Framework 3S- Strategic Services, be utilised and accessed to secure services for the provision of 2 contracts namely:
(i) interim (Lot 1) and (ii) executive search and selection (Lot 2) of said framework.
- 2.3.2 That the relevant Service Director, in conjunction with the Shared Services Director of HR, award the individual contracts for individual vacancies in their service areas utilising Lot 1 and Lot 2 of the ESPO Framework 3S in the manner prescribed by the framework and retain the ability to do so for the duration of the framework.

2.4. Contract for provision of Outplacement Services

- 2.4.1 That ESPO Framework 3S- Strategic Services be utilised to call off without further competition to secure services of a single supplier for the delivery of outplacement services under Lot 5 of said framework until 31st March 2019 with an option to extend for a further 2 periods of 12 months each.
- 2.4.2 That the Shared Services Director for Human Resources be given delegated authority, in consultation with the Cabinet Member for Finance, Cllr Max Schmid to enable any extensions of the contract as set out in para 2.4.1 after 31st March 2019.

3. REASONS FOR DECISION

3.1 Recruitment Advertising

- 3.1.1 The Council's contract with Penna, its existing recruitment advertising provider, expires without the option of an extension.
- 3.1.2. The existing contract was originally provided through the London Borough Recruitment Partnership (LBRP) which framework has now closed.
- 3.1.3 The ESPO Advertising Framework 3A- Advertising Solutions was let in July 2016 and provides a simple but competitive route to procure a recruitment advertising provider.

3.2 Microsites

- 3.2.1 The ESPO Advertising Framework 3A- Advertising Solutions provides a simple route to procure a provider to support the development and implementation of a microsite which will serve as a hub to link to ancillary social media platforms and drive 2-way traffic.

3.3 Interim, Executive Search and Outplacement Services

- 3.3.1 The council's Outplacement Services and Executive and Interim search and selection services are currently provided by means of call off contracts through the LGRP (Local Government Recruitment Partnership) Framework.

3.3.2. Although approval to access the LGRP Framework was given by Cabinet Decision (Recruitment Resourcing and HR Consultancy, dated 30 March 2015) for the provision of outplacement, interim and executive search and selection for a 4-year period until 31st March 2019, Sutton, the Lead Authority for the Framework, has given notice to terminate the framework early. The decision by Sutton was due to organisational changes and priorities prompted by the formation of a new Shared HR Service by Sutton with Kingston in May 2016. The early termination is due to be effective 31st March 2017. Under the terms of the framework, call off contracts from the framework will likewise cease. However, the services for executive and interim search and selection as well as outplacement are still required by the council. The relevant ESPO Framework 3S will provide a suitable effective procurement route whereby competitive rates, currently enjoyed are retained and stability with current providers for delivery of the same services in question is maintained.

3.4 Under the council's contract standing orders, it is appropriate to procure the contracts referenced in paragraphs 1.1.1 from the ESPO frameworks.

4. STRATEGY

4.1 Recruitment Advertising and the Use of Microsites

4.1.1. Recruitment advertising supports and underpins the council's ability to attract and harness talent while at the same time promoting both the corporate and employer profile. Traditional advertising methods benefit organisations most when applied in tandem with new facilities and methods generated on social media. The increasing use of social media to attract candidates and build talent pipelines is placing an increasing reliance on systems functionality. This includes use of microsites to target and attract candidates through 2-way engagement. Microsites containing content specific information underpinned by a strong employer brand support static presentation of generic job vacancy information held on vacancy pages.

4.1.2 Continued provision of procurement of recruitment advertising services will support the organisation's ambition to be the best, link to the Council's workforce attraction and retention strategy while at the same time contribute to an efficient and effective HR delivery.

4.1.3 The launch of the new ESPO Framework for Advertising Solutions in July 2016 provides the ability to deliver core traditional services as well as advising on methods and strategies to improve effectiveness and value for money in the advertising function.

4.1.4 The ESPO Framework for Advertising Solutions comprises a number of lots with the ability to either call off without further competition or procure following further competition.

- Lot 1 covers recruitment advertising and related services making use of several approaches in order to attract the most suitable candidates. It is this service which is currently being provided by Penna to the council.
- Lot 4 covers recruitment related systems that will enable handling of and supporting the recruitment process including microsites that deliver career portals, social job page sharing features and job page search optimisation.

4.2 Executive and Interim Search and Selection and Outplacement

4.2.1. The ESPO Framework for Strategic Services has been in place since 1 May 2014 until 30 April 2018, comprises a number of lots and can either call off without further competition or procure following further competition.

- Lot 1: Executive Interims
- Lot 2: Executive Search
- Lot 5: Outplacement and Career Transition Services

4.2.2 Executive and interim search suppliers with specialist knowledge of the market and sectors identify and search for suitable candidates for hard to fill roles. Depending on the nature of the vacancy and service area, different suppliers have demonstrated a stronger track record of delivery and candidate sourcing. All 6 current suppliers to the Council for both executive and interim search and selection, with the exception of 1 supplier are on Lots 1 and 2 of the ESPO Framework. There are also additional suppliers listed on Lots 1 and 2 of the ESPO Framework. Lot 1 has 15 suppliers listed and Lot 2 has 12 suppliers. There are therefore sufficient suppliers listed to provide viable competition and / or match requirements. It is intended that the current internal process in place for sourcing interims in terms of approval by the appropriate Cabinet Member will be retained.

4.2.3 One supplier is currently tasked with outplacement services ie supporting staff who may be transitioning from the council as a result of re-organisations. The current supplier to the council for Outplacement Services, Penna is listed on Lot 5 for outplacement and career transition services.

5. OPTIONS AND ANALYSIS OF OPTIONS

5.1 A number of options have been actively considered in determining the most appropriate route to procurement. These include:

5.1.1 **ESPO Frameworks** are a simple and competitive route to procure. All suppliers on the framework have been pre-selected via competitive OJEU compliant process by ESPO for the ability to provide a comprehensive range of services that incorporates both quality and value for money. All suppliers included on the ESPO Framework have already been assessed during the ESPO procurement process for their financial stability, track record, experience and technical and professional ability.

Benefits include:

- Obtaining better value for money, minimising costs, improving contract delivery
- Compliance with UK / EU procurement legislation, negating the need to run a full procurement process
- All suppliers included on the framework have already been assessed during the ESPO procurement process for their financial stability, track record, experience and technical and professional ability.
- The ESPO Framework is especially established for use by public sector bodies in the UK including local authorities.

5.1.2 Alternate frameworks such as LGRP (Local Government Recruitment Partnership, YPO (Yorkshire Purchasing Organisation), CCS (Crown Commercial Services), CCSR (Civil Service Framework) have been considered but discounted on the basis that they have not concluded or do not meet the council requirements for specific services required or expire within the next 12 months.

5.2 **Contract Alignment with other councils.**

5.2.1 No other councils have indicated a willingness to partner up. It is therefore considered that parallel procurement exercises will be run for RBKC and H&F as appropriate.

5.3 **Run a standalone OJEU Procurement**

5.3.1 The full tendering process was rejected as too resource intensive with no guarantee that better prices would be achieved than those obtained by a national framework.

5.4 **Delivery of the service inhouse**

5.4.1 As the council continues to go through significant change in its operating processes for HR and Finance, it is considered desirable not to divert resources from achieving stability in these processes.

5.4.2 In terms of recruitment advertising, no in-house expertise or capacity exists to advise on media options or understanding of the market. No current technical capability exists to produce advert copy, track media spend and provide management information. Specialist expertise in terms of executive search and outplacement is not available in-house.

5.4.3 In terms of systems and supporting functions, the Council currently utilises a jobs portal hosted by the council's managed service provider, BT and located on the Council's jobs portal. All council external vacancies are posted to this site by BT with applications made from the site to the council's applicant tracking system, e-recruiter. The applicant tracking system is also hosted by BT. All vacancies advertised in external media are signposted to the council's corporate vacancy pages. The jobs portal is a static presentation of information reliant on one-way traffic to the portal.

6. THE MARKET

- 6.1 Delivery of recruitment advertising services is mature. Development in the market such as utilising emerging media channels, developing social media platforms and promoting a coherent employer brand are acknowledged and form a common understanding with leading suppliers in the market.
- 6.2 It is anticipated that mobilisation of a new contract for recruitment advertising services will be low risk. Advertising campaigns tend to be time limited with the council's managed service provider, BT, retaining the ability to post vacancies onto the corporate vacancy pages/ jobs portal irrespective of the recruitment advertising provider in place. BT also retain the responsibility for ensuring that vacancies are advertised with Job Centre Plus.
- 6.3 Executive Interim and Search and Select suppliers are used to source candidates for senior strategic or hard to fill roles where candidates may not be actively looking for an opportunity nor seeking a permanent placement. Reliance is placed on suppliers' knowledge of the market specific to the roles in question and ability to reach passive candidates. Utilisation of the services are specific to the recruitment campaigns in question and are time limited.
- 6.4 Outplacement support aims to minimise the effects of redundancy whilst maximising the opportunities for those affected, whether through exploring redeployment opportunities, alternative employment options or developing the requisite skills and confidence to pursue gainful employment at a later stage.

7. CONTRACT PACKAGE, LENGTH AND SPECIFICATION

- 7.1 The ESPO Framework 3A for Advertising Solutions commenced on 5 July 2016 and will be in place until 4 July 2018 (with the option to extend the arrangement by a further 24 months). The duration of individual contracts awarded under the framework can be up to 4 years. It is intended to award the contract for recruitment advertising services and systems under Lots 1 and 4 respectively each for a period of 2 years with the option to extend for a further 2 periods of 12 months each.
- 7.2 While transactional and creative recruitment advertising remains a core service in delivery of the contract, it is recognised that a traditional transactional reactive service no longer suffices. Increased and more advanced use of analytics to demonstrate return on investment plus the ability to harness emerging media channels to create candidate pipelines and promote the council as a local employer of choice are included in the specification for the contract of recruitment advertising services.
- 7.3 Additional optional services, under recruitment advertising services, which may or may not be required, have also been specified. If required, these services will be agreed by the council prior to any work being carried out and undertaken by the successful tenderer, with such cost to be benchmarked by the council to ensure that best value is obtained. The additional services may

include advising on developing a social media strategy to engage and attract candidates and advising on articulating an employer branding strategy.

- 7.4 The council's current jobs portal, is a destination point, predicated on one way traffic, setting out basic information about vacancies, job content, role requirements and how to apply. Microsites can be used in conjunction to provide a comprehensive solution to candidate attraction and communication, contain all the key messages and link to ancillary social media platforms. Utilisation would require clarity in terms of the council's employer brand and social media strategy to inform content. Microsites have the flexibility to be used for standalone single or multiple campaigns and can form a permanent feature or switched on and off when required. A sufficient period of time, will be required to measure return on investment, build and review appropriate content and raise awareness of the microsite. It is therefore proposed that the contract delivery of a microsite be for a period of 2 years with an option to extend for a further 2 periods of 12 months each.
- 7.5 The ESPO Framework 3S (Strategic Services) commenced on 1 May 2014 and is in place for a 4 year period. It is intended to access suppliers under Lots 1 and 2 for interim and executive search for the duration of the framework. For outplacement services, it is intended to award a contract without further competition under the framework for a period up to 31st March 2019 , which mirrors the original authority given as per cabinet decision dated 30 March 2015. But include an option to extend for a further 2 periods of 12 months each. This will enable review of contract performance, assess future need and enable an informed decision be made as to future procurement strategies including any frameworks available.

8. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFITS

- 8.1 Engagement with both representatives of ESPO and leading suppliers and analysis of local businesses confirm that the number of SME's in this market are limited. Local suppliers tend to focus either as marketing or recruitment agencies at lower salary levels.
- 8.2 The specification for recruitment advertising requires the successful tenderer to work with the Council to engage with the local community to raise awareness of job vacancies as well as promote the council as a local employer of choice.

9. CONSULTATION

- 9.1 In accordance with s8(3) of the council's Standing Orders, The Director for Procurement & IT Strategy has been consulted on the use of the ESPO Framework and the format of the mini competition under the framework including the specification and evaluation criteria.
- 9.2 In accordance with s8(3) of the council's Standing Orders, the Director of Law has been consulted on the terms and conditions of the proposed contract.

Use of the ESPO Framework is based on ESPO's pre agreed terms and conditions of contract.

- 9.3 Engagement with leading market suppliers has been undertaken to inform requirements
- 9.4 Feedback on the current service challenges and opportunities is provided to the Shared Services Head of People Management or authorised representative.
- 9.5 Key Services users will be invited to inform the evaluation process

10. EQUALITY IMPLICATIONS

- 10.1. The ESPO terms and conditions for this contract include anti discrimination provisions and require the provider to take all reasonable steps to ensure that anyone engaged in the performance of the contract with the council observes these provisions

11. FINANCIAL INFORMATION

- 11.1. Spend is demand led. Budgetary responsibility for recruitment advertising rests with the services. The services/recruiting manager are invoiced directly by the supplier for advertisements placed for each vacancy. The costs for each order are approved by the recruiting manager who then raises the associated Purchase Order against which invoices are paid. Media spend comprises the cost of placing the advert in the relevant media plus associated costs to produce the advert eg typesetting, production costs, writing of the advertisement where requested. Confirmation of media spend across the council is confirmed by the supplier in the monthly management information provided to Shared HR Services. Media spend over the last 3 years has equated as follows:

2013-14: £132,832
2014-15: £72,483
2015-16: £93,152

Purchase of additional services such as articulation of the employer brand and the council's social media strategy for recruitment or additional systems such as microsites will be funded by the relevant department .

- 11.2 Budgetary responsibility for interim and executive search as well as outplacement rests with the services. Spend is demand led as requested by the individual services / appropriate manager. Services are invoiced directly against Purchase Orders raised by the service at point of request. Confirmation of spend across the council is confirmed by the supplier in management information provided to Shared HR Services. Spend in the last financial year 15/16 relating to Interim Spend (comprising agency fees plus wages) equated to £1,446,775.

11.3 Implications verified by Edwin Thomas, Finance Manager, 020 8753 4618

12. LEGAL IMPLICATIONS

12.1. This report provides for the procurement of five agreements from identified ESPO framework procurements. It is necessary to ensure that the Council has been named as eligible to call off from the framework and that there is sufficient funding remaining within the framework for the Council's estimated expenditure.

12.2. The Council is responsible for ensuring lawful compliance with the obligations stated in calling off from a framework agreement. It must ensure that such call-off agreement is possible and that it complies with the obligations stated therein as well as not being such that it distorts competition.

12.3 Implications verified/ completed by Jonathan Miller, Contracts and Employment Team, Shared Legal Services, 07779333041

13. IMPLICATIONS FOR BUSINESS

13.1. Successful providers will be required to work with the council to raise awareness within the local community and further afield of opportunities available and to promote the council as an employer of choice.

14. PROCUREMENT PROCEDURE

14.1 The procurement process for a new contract including award, is laid down in the Council's Contract Standing Orders (CSOs).

14.2 For recruitment advertising services, the intention is to issue a invitation to tender as a further competition under Lot 1 of the ESPO Framework- 3A (Advertising Solutions). Competition under a specific lot is closed to only those suppliers listed under that particular lot. Award will be made on the basis that the successful supplier's bid represents the most economically advantageous offer.

14.3. All 5 tenderers awarded and listed under ESPO 3A Lot 1 for recruitment advertising and related services will be invited to tender.

14.4 For recruitment systems, in particular, microsites, the intention is to call off from Lot 4 of the ESPO Framework without further competition where a supplier is offering microsites and can meet the council's requirements. This is an acceptable manner for procuring through the Framework.

14.5 For outplacement services, the intention is to call off without further competition under ESPO Framework 3S- Strategic Services Lot 5. A call off

without further competition is possible under the framework where requirements are met and value for money can be demonstrated.

- 14.6 For interim and executive search, the intention is to undertake further competition for each and all campaigns unless it can be clearly demonstrated that 1 particular supplier best meets the council's need for a specific campaign.

15. CONTRACT AWARD CRITERIA for further competition.

15.1 Recruitment Advertising Services

- 15.1.1 It is the intention to award the contract to the supplier that has tendered the most economically advantageous offer to the council.

15.2 Interim and Executive Search

- 15.2.1 Where further competition is carried out, suppliers will be assessed in terms of service delivery and price.

16. PROJECT MANAGEMENT AND GOVERNANCE

- 16.1 Management of all contracts listed in this report is currently with the Shared Services Director for Human Resources.
- 16.2 A Service Review Team (SRT) established by the Shared Services Director includes senior members of the HR team, key service users, the Shared Services HR Contract Manager and relevant professional officers (including legal, finance and procurement) to inform the procurement timetable and supporting documentation such as the specification for the relet of the advertising contract under Lot 1 of the ESPO 3A Framework.
- 16.3 The Evaluation Panel will be chaired by the Shared Service Head of People Management, with the Shared Services Director of HR as sponsor and will include a senior member of the HR team and Shared Services Contracts Manager. It will consult and engage relevant professional officers in legal, finance, procurement.
- 16.4 The procurement exercise for further competition under Lot 1 of the ESPO 3A Framework will be undertaken using the Council's e-tender software.
- 16.5 Indicative Timetable further competition for recruitment advertising services is as follows:

Activity	Dates and Deadlines
Publication of opportunity	w/c 20 February 2017
Closing Date for submission of Tenders	w/c 20 March 2017
Award of Contract by Council	June 2017

17. CONTRACT MANAGEMENT

- 17.1 Post award, the contract for recruitment advertising will be managed by the Shared Services Head of People Management or authorised representative
- 17.2 Regular contract review meetings will take place at a minimum on a quarterly basis.
- 17.3 Key Performance indicators will be used to monitor, measure and report on the contractor's performance. These include the ability to:
- provide the most appropriate team to deliver a consistent and robust service
 - deal with requests within the agreed process and time scales,
 - provide the most appropriate solution to meet the requirements in the most cost effective manner
 - establish effective communication lines with recruiting managers
 - provide accurate and robust management information and review performance quarterly to ensure continuous development and improvement
- 17.4 Options to extend contracts where relevant, will be considered and exercised by the Shared Services Director of HR

18. BACKGROUND PAPERS USED IN PREPARING THIS REPORT:

None

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">16 JANUARY 2017</p>	
<p>GRANT OF A LONG LEASE TO LONDON DIOCESAN FUND IN RESPECT OF PRYOR'S BANK, SW6 3LA</p>	
<p>Report of the Cabinet Member for Finance: Councillor Max Schmid and Cabinet Member for Environment Transport and Residents Services: Councillor Wesley Harcourt</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>Environmental Services Corporate Finance Legal Services</p>	
<p>Wards Affected:</p> <p>Palace Riverside (main ward)</p>	
<p>Accountable Director:</p> <p>Maureen McDonald-Khan, Director for Building and Property Management</p>	
<p>Report Author:</p> <p>Nigel Brown, Head of Asset Management and Property Portfolio</p>	<p>Contact Details:</p> <p>Tel: 020 8753 2835 E-mail: (e-mail address) Nigel.Brown@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

1.1. The Council wishes to ensure the long-term availability and sustainability of community-based assets as it recognises that:

- dynamic and well run community buildings can be the centre for local communities; providing a wealth of services, support and facilities upon

which neighbourhoods can develop and thrive. This will promote local citizenship and engagement can be strengthened.

- Third sector organisations and charities can access capital and revenue funding to assist in services and properties which are not available to local authorities and therefore this opens opportunities to build community resilience in areas of need.
- 1.2. Cabinet decided at its meeting on 7 November 2016 to explore community asset proposals and this property transaction is a further pioneering example of this programme.
- 1.3. This report seeks authority to:
- grant a long lease to the London Diocesan Fund, rather than a short lease renewal, to allow the organisation to undertake significant capital investment in the property at their cost as part of a sustainable community-led expansion of services.

2. RECOMMENDATIONS

- 2.1. That the Council enter a 125- year lease (of land and premises shown on the plan attached as Appendix 2) with the London Diocesan Fund ('LDF'). The Council would receive a premium plus a rent under the proposed lease for LDF (details of which are given in the exempt part of the report comprising Appendix 1). The Council would terminate the current tenancy at will that is in place following the tenant holding over from their previous lease expiring in 2012.
- 2.2. That delegated authority be given to the Director for Building and Property Management, in consultation with the Cabinet Member for Environment, Transport and Residents' Services and the Cabinet Member for Finance, to finalise the property transaction.
- 2.3. That delegated authority be given to the to the Bi-Borough Director for Safer Neighbourhoods, in consultation with the Cabinet Member for Environment, Transport and Residents' Services and the Cabinet Member for Finance, the consideration of any comments or objections that arise from public notification of the proposed disposal, under the lease, of open space (largely comprising circulation space adjoining the property 'Pryor's Bank'). (This public notification is a statutory requirement explained in clauses 4.5, 8.2 and 8.3 of this report.)

3. REASONS FOR DECISION

- 3.1. 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 transfer is a long lease and therefore Cabinet approval is required as the transaction does not fall under the scheme of delegations.

- 3.2. The London Diocesan Fund and All Saints Fulham Church want to build an extension and increase the capacity to make Pryor's Bank more suitable for use by community groups and for church-related functions, including hospitality functions. However, the grant of a long lease of Pryor's Bank is not subject to any planning permission for the church's proposal for an extension (on part of the north-side of the building). All Saints PCC Fulham also manages a dynamic and well-run community facility at its church hall to the rear of Fulham High Street. However, the hall is running at full capacity and is not ideally located for use by the Sunday toddler groups. The PCC intends to continue providing community services at both sites but may sell off some surplus land adjacent to its church hall to fund improvements for the hall and an extension at Pryor's Bank.

4. PROPOSAL AND ISSUES

- 4.1. All Saints PCC Fulham has occupied Pryor's Bank since June 2007, initially under a 5-year lease which expired in June 2012, and has continued to do so while long-term plans for their community-focused delivery were considered.
- 4.2. All Saints PCC Fulham undertook an extensive programme of repairs to Pryor's Bank under its five-year lease of 2007 in exchange for a considerable rent-free period (to offset the cost) and are now keen to offer a wider set of community services and build upon existing services (including nursery activities, homeless support, teaching and music) with some certainty so they can plan capital investment and further repairs due to ongoing wear and tear and build community capacity with community groups.
- 4.3. The proposed lease would include the transfer of all repairing liability for Pryor's Bank to the tenant and this would result in LBHF not being responsible for any ongoing maintenance and repair.
- 4.4. Presently, the Council is responsible for repairing the building exterior and structure and there will be some minor savings accrued under the Amey total facilities management contract. (The yearly cost has been estimated to rise from £13,076 in 2013 to £13,803 for the current contract year.)
- 4.5. The grant of a new lease and landlord's qualified consent for the tenant to build a small extension, that could include a new entrance connecting with the road adjoining Pryor's Bank. An extension will be subject to planning permission and the outcome of complying with section 123 (2A) of the Local Government Act 1972. (Clauses 8.2 and 8.3 of this report further consider the requirement to give public notice of a proposed disposal of public open space and to consider comments or objections.) Informal discussions have taken place with planning colleagues.
- 4.6. All Saints PCC Fulham has agreed that the lease would prohibit the development of premises on any other land adjoining Pryor's Bank and prohibit enclosing it with any other boundary fence or wall.

- 4.7. To minimise the commercial effect on existing park café businesses, All Saints PCC Fulham has agreed that the inclusion of consent in the lease for a coffee shop would be restricted to being ancillary to the principal permitted use of a church-focused community centre. Therefore, the café amenity would complement and support the work of the parish rather than become a business objective for it.

5. OPTIONS AND ANALYSIS OF OPTIONS

5.1. Option 1 – Seek vacant possession for operational use

Pryor's Bank is not required for operational Council purposes and therefore vacant possession is not needed. If the current tenant moved out of Pryor's Bank, its location in the park and the restrictive covenants may prevent a community or commercial letting to another organisation and the Council would need to bear the holding costs until a new occupier was found. Any operational user would need to secure revenue funding from their budget to fund the day to day running of the property.

5.2. Option 2 – Let the property to another occupier

If the property was vacant, the Council would have full responsibility both for the property's maintenance and for paying any business rates due. The annual running costs to be borne by the Council if vacant would be more than £36,000 per annum taking business rates and holding costs into account. In addition to the routine repair expenditure referred to in clause 4.4, the PCC has identified prospective expenditure of £150,000 required for repairs soon because of wear and tear to the building. The Council would also incur some minor expense for mitigating the risk of squatting and vandalism. There are covenants within the freehold title that limit the options to the Council to let it to a wide range of other parties apart from the current occupier.

5.3. Option 3 – Agree lease renewal for 5 years

The Council did discuss options for a standard lease renewal, (for a minimum term of 5 years) but this is not suitable for sustainable community use so this option was discounted by the London Diocesan Fund. The rental value would be in the region of £44,000 per annum and the Council would also have to bear some ongoing costs.

5.4. Option 4 – Agree a long lease

This report recommends this option. A long lease with a one- off capital premium plus an ongoing revenue is attractive to the Council and allows an established provision of community services to expand and make capital investment in the property. The capital receipt received will be used as part of the capital programme to invest in the administration's key outcomes and the Council will continue to receive rental income (albeit on a reduced basis).

6. CONSULTATION

In addition to consulting both the London Diocesan Fund and All Saints PCC Fulham on the lease terms, the Friends of Bishop's Park have been consulted about granting a long-term lease for All Saints PCC Fulham and no adverse comments were received.

Dave Page verified the consultation with the Friends of Bishop's Park.

7. EQUALITY IMPLICATIONS

- 7.1. The long-term lease to the London Diocesan Fund would have a positive impact by enabling All Saints PCC Fulham to improve both the facilities and the options available to the local community from this long-standing organisation.
- 7.2. All Saints is open to members of all faiths and of none, especially in its work with senior citizens and young people and the disadvantaged and marginalised. The work in the parish reflects and supports the people of the parish and their needs, irrespective of issues of faith, gender, or orientation. The PCC therefore look to meet people where they are in all respects and are appropriately diverse and sensitive in their thinking.

The above Implications were verified by Michelle Greenwald, Change Consultant, Tel 020 7361 2626

8. LEGAL IMPLICATIONS

- 8.1 The Ministry of Housing and Local Government Provisional Order Confirmation (Greater London Parks and Open Spaces Act 1967 ('the 1967 Order')) gives the Council power to provide public facilities for various other things of a generally recreational nature, e.g. Swimming, golf courses, gymnasia, amusement fairs and entertainments, indoor facilities for any recreation and centres and other facilities (indoor or outdoor) for the use of clubs and organisations whose objects are mainly of a recreational, social, or educational character. However, if the disposal is for purposes not covered under the 1967 Order, section 123 of the Local Government Act 1972 should be used.
- 8.2 As this disposal is not covered under the 1967 Order above, the Director of Law advises that s123 of the Local Government Act 1972 can cover the disposal. Independent valuation advice should be obtained on whether the offer made by the LDF represents the best consideration reasonably obtainable. If not, then the Council will technically be letting at less than best consideration for the purposes of S.123 LGA 1972. Under the General Disposal Consent 2003 we can do that, provided the difference between the unrestricted value and the consideration received does not exceed £2,000,000 (two million pounds). However, the General Disposal Consent can

only be used if the Council considers that the purpose of the disposal of land is likely to contribute to the economic, social, or environmental well-being of the borough or any part of it or anyone present in it.

Section 123 also gives the Council power to deal with Open Space land subject to advertising and public consultation requirements. This section does not have the requirement that the land is *no longer required for the purpose for which it was held* (as required under S.122 of the Act) and would release the Council from the trust created through the designation of the land as Open Space (subject to covenants, if any).

- 8.3 The Council is required to advertise a public notice of the disposal of Open Space under S.123(2A) of the above Act in the local gazette for two consecutive two weeks for public consultation.
- 8.4 The Council will require the Church Commissioners' consent to the disposal or a release from the covenants affecting the land. (The Commissioners could demand payment for the release but that outcome would be negotiable with the Church Commissioners and the London Diocesan Fund).

Implications completed by: Rachel Silverstone, Senior Solicitor, Legal Services, Tel 0208 753 2210)

9. FINANCIAL IMPLICATIONS

- 9.1. The Council is currently receiving income under a tenancy at will which equates to £27,500 per annum and a reduced rental income will be received after the completion of the long lease. The proposed rent is outlined in the heads of terms comprising Appendix 1 (in the exempt part of the Cabinet agenda). The property transaction will result in a reduction in rental income so other commercial rental opportunities have been identified and actioned to improve income from other Council assets within its portfolio so there will not be a net loss.
- 9.2. The Council will save some minor expenditure under its Amey contract as all future maintenance and repairs will fall to the London Diocesan Fund and this is outlined above in paragraph 4.4.
- 9.3. Currently there are no records to show that Council has opted to tax any Pryor's Bank land or building. Therefore, the rent received will be exempt for VAT. Any costs incurred in relation to the disposal are likely to count towards the Council's partial exemption calculation. However, in this case these costs are currently forecast to be negligible. Should this position change, the VAT team within Corporate Finance will need to be informed.
- 9.4. As stated in the comments from the Legal and Democratic Services, this property will be sold in accordance with Section 123 of the Local Government Act 1972.

- 9.5. Any lease premium received will need to be treated as a capital receipt. The use of capital receipts is restricted to the funding of capital expenditure or the paying down of debt. The capital receipt received will be used to fund current schemes in the capital programme. Costs associated with the disposal can be written against the receipt but only up to a cap of 4% of the receipt.

Implications verified/completed by: Ariana Murdock, Principal Accountant (Capital), Corporate Finance, 020 8753 3698 and Sally Swaray, Principal Accountant (Environment), 020 8753 2524

10. IMPLICATIONS FOR BUSINESS

- 10.1. There are no immediate business implications or public procurement issues arising from this report, the grant of a lease being excluded from the scope of The Public Contracts Regulations 2015. In accordance with this report's Executive Summary plus clause 4.2, the grant of a long-term lease by the Council to the London Diocesan Fund would support the provision and improvement of community services comprising social, educational, and recreational facilities for the benefit of local residents.

*The above Implications were verified by Antonia Hollingsworth, Principal Business Investment Officer,
Tel: 020 8753 1698.*

11. OTHER IMPLICATION PARAGRAPHS

There are no other comments.

12. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None

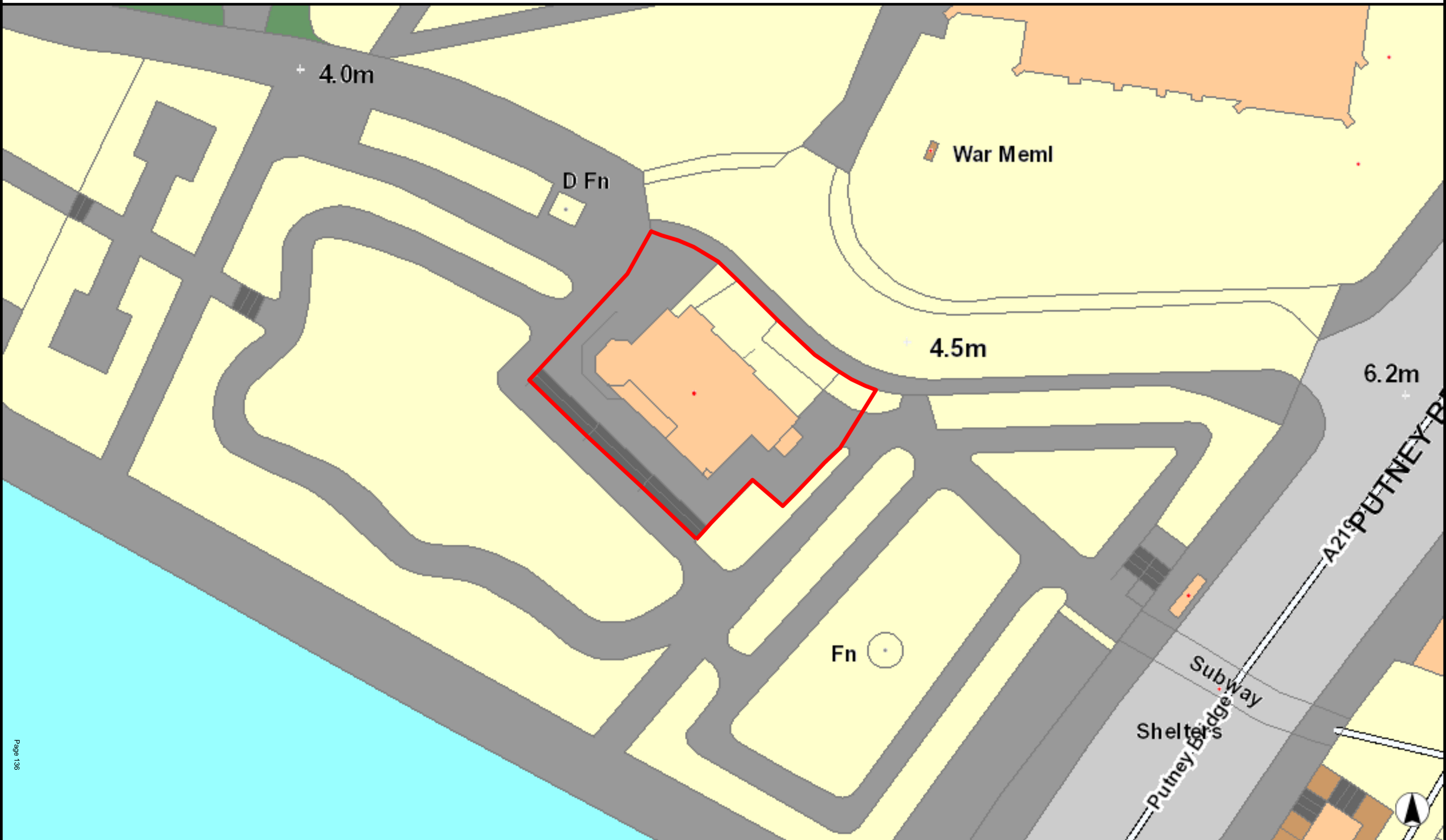
LIST OF APPENDICES:

Appendix 1: Heads of terms – Long lease (contained in the exempt report)


Appendix 2: location plan illustrating proposed letting.

London Borough of Hammersmith & Fulham

Appendix 2 - Lease Plan for Pryor's Bank, Bishop's Avenue, London SW6 3LA



Page 136

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">16 JANUARY 2017</p>	
<p>PROCUREMENT STRATEGY FOR DEBT MANAGEMENT AND BUSINESS INTELLIGENCE SERVICES</p>	
<p>Report of the Cabinet Member for Commercial Revenue and Resident Satisfaction: Councillor Ben Coleman and the Cabinet Member for Finance: Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: None</p>	
<p>Accountable Director: Michael Hainge, Commercial Director</p>	
<p>Report Author: Michael Hainge, Commercial Director</p>	<p>Contact Details: Tel: 020 8753 6992 E-mail: Michael.hainge@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report seeks agreement to begin procurement for a partner to deliver debt management services to H&F through a joint venture, and to sell these services, along with business intelligence services, to other public bodies.

2. RECOMMENDATIONS

- 2.1. That the Commercial Director be authorised to begin the procurement process to appoint a partner to deliver debt management services to H&F through a joint venture, and in accordance with the procurement strategy at Appendix 1.
- 2.2. That delegated authority be given to the Commercial Director in consultation with the Cabinet Member for Finance to award the

framework agreement to the most economically advantageous tenderer.

3. REASONS FOR DECISION

- 3.1. Contract standing orders require a procurement strategy to be agreed by Cabinet in advance of the commencement of any procurement with a value greater than £100,000
- 3.2. By agreeing with the recommendation at 2.1, the Commercial Director can begin such a procurement with the following four purposes:
 - To make sure our debt management activities effectively support the financial operations and requirements of the council.
 - That our treatment of debtors to the council is consistent with highest possible ethical and regulatory standards.
 - We create a joint venture to allow us to profit from the development of these services by selling them to other public bodies and social landlords.
 - To exploit existing analytic products developed by our Business Intelligence team to help residents avoid debt, and to use the JV to develop these and other techniques and tools, to commercial, financial and social advantage.
- 3.3. With reference to 2.2. above, the commercial nature of the procurement and the potential notional value of the framework agreement is likely to exceed £5,000,000 on paper. Council's Contract Standing Orders require the full Cabinet to approve all contracts that have a value of £5,000,000 or greater, but as actual value is indeterminate it would be more appropriate for the award to be delegated to the Cabinet Member.
- 3.4. It should be noted that any sums payable for services rendered would always be considerably less than the financial benefit received by the council from improved debt management.

4. INTRODUCTION AND BACKGROUND

- 4.1. At present, debt management is largely left to individual service areas to manage. In common with other activities, such as contract management, procurement and risk management performance is mixed. And whilst the debt management industry in the private, regulated market has moved on considerably in recent years, our own debt management activities (in what is an unregulated market) are not all at the cutting edge of best practice.

- 4.2. We have in place a contract with Agilisys to help with debt management. This was envisaged to be rolled out across the council but, for a variety of reasons, was only delivered to a limited number of areas. Agilisys focussed effort on housing benefit overpayments work and, it must be said, with some success. This contract expires at the end of March 2017.

5. PROPOSAL AND ISSUES

- 5.1. It is proposed that H&F approaches the market with an opportunity to provide a wide range of support to the council in the area of debt management under a framework agreement. This will include training and development, consultancy, management and collection of debts. This will include further commissioning of sub-contractors for related work, such as enforcement agents (formerly known as bailiffs) as well as arranging debt purchase options where appropriate.
- 5.2. The successful bidder will be required to set up a joint venture company with the council and to sub-contract all work won under the framework (including the H&F work) to the joint venture. The council will be the majority shareholder of the joint venture and will have a majority vote on the board.
- 5.3. The joint venture will act as a Master Servicer for all debt related issues and opportunities across H&F. The range of activities will include from simply providing advice and consultancy, through to full debt management and issuing casework to enforcement agents
- 5.4. The council will set up a user panel (senior staff from service areas, finance and commercial) to agree the scope of work that the joint venture will carry out for H&F, set out in a three-year strategic document and annual business plans. The panel will also oversee performance of the joint venture. This approach will ensure effective oversight and coordination of all debt management related work.
- 5.5. The framework agreement will also include a requirement to exploit existing analytic products developed by our Business Intelligence team to help residents avoid debt, and to use the JV to develop these and other techniques and tools, to commercial, financial and social advantage.
- 5.6. The proposed procurement route will allow other local authorities and public bodies across the UK to call off from the proposed framework in terms of managing their debt management and business intelligence. This will alleviate the need for them to go through their own formal procurement process.
- 5.7. The successful bidder will be required under the terms of the procurement to sub-contract all orders to the Joint Venture, and in doing so provide an income generation for the Council. The

procurement will be structured in such a way to allow other services that the Council excels at to be merged into the Joint Venture at some future date.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. As an alternative, the council could continue to allow debt to be managed as each department sees fit. It is likely that this approach would be more expensive, fail to achieve broader strategic aims such as ensuring the highest ethical standards are achieved, and fail to catch up with the most leading edge practice in the debt management industry.
- 6.2. The proposals in this report and in the strategy (at Appendix 1) will also allow the council to benefit from the development of new approaches to debt management developed in the joint venture and sold on to other bodies. This includes our highly successful Business Intelligence team. This can only be achieved if we procure a partner and joint venture

7. CONSULTATION

- 7.1. N/A

8. LEGAL IMPLICATIONS

- 8.1 The services are subject to the Public Contracts Regulations 2016 (the Regulations) and must be procured using one of the proposed routes set out therein.
- 8.2 A Prior Information Notice (PIN) in respect of procurement of a single supplier Framework Agreement has been published in OJEU in accordance with Regulation 48. It is intended that the supplier will be procured utilising the restricted procedure as allowed for under Regulation 28. The Framework Agreement will also be available nationally to other public bodies as detailed in the PIN and procurement documents . There is also a requirement for the successful contractor to form a joint venture with the Council to which all work will be sub-contracted.
- 8.3 Framework Agreements are governed by Regulation 33 and the Council will need to adhere to the requirements set out therein both in the procurement of the Framework Agreement and the award of individual contracts under the Framework Agreement. The requirements will need to be clearly set out in the procurement documents.
- 8.4 There is a requirement under Contract Standing Order 8.12.1 that Procurement Strategies with an estimated value of £100,000 or greater must be approved by the Cabinet prior to the commencement of any tendering exercise.

(Legal implications completed by Margaret O'Connor, Tri-Borough Legal Service Tel 020 7641 2782)

9. FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1. No funding is requested to take forward this proposal.
- 9.2. The award of a contract, and confirmation of the structure of the Joint Venture, will be subject to future Member approval.
- 9.3. Implications verified/completed by: Andrew Lord, Head of Strategic Planning and Monitoring, Corporate Finance, Ext 2531

10. RISK MANAGEMENT

- 10.1 The proposals seek to make existing processes in the council more efficient and effective ultimately contributing in improved value back to the local taxpayer and meeting the needs and expectations of our residents.
- 10.2 There will need to be consideration of the following risks;
 - Information Management,
 - Security and Data Protection
- 10.3 The risk from competition from other providers in a similar market. Insurances, if the service were to be providing advice to businesses on debt management.
- 10.4 Having a clearly agreed marketing strategy, revenue targets and timetable that enables the joint venture to grow the business and take opportunities.
- 10.5 Tax, TUPE and Pensions risks.
- 10.6 The above areas are not exclusive and risks should be identified and tracked as the project develops.
- 10.7 Implications verified by: Michael Sloniowski, Risk Manager, telephone 020 8753 2587

11. COMMERCIAL

11.1 The Commercial and Procurement implications are contained in body report as the authors are Commercial Director and the Interim Head of Procurement (Job-share).

11.2 Implications verified/completed by: Michael Hainge, Commercial Director (Telephone 020 8753 6992) and Alan Parry, Interim Head of Procurement (Job-share) (Telephone 020 8753 2581).

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

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

LIST OF APPENDICES:

Appendix 1 – Procurement Strategy

Appendix 1

Procurement Strategy for Debt Management Services in H&F

1.0 Purpose

The purpose of procuring a new debt management partner is fourfold:

1. To make sure our debt management activities effectively support the financial operations and requirements of the council.
2. That our treatment of debtors to the council is consistent with highest possible ethical and regulatory standards.
3. To create a joint venture to allow us to profit from the development of these services by selling them to other public bodies and social landlords.
4. To exploit existing analytic products developed by our Business Intelligence team to help residents avoid debt, and to use the JV to develop these and other techniques and tools to commercial, financial and social advantage.

With a turnover of around £1billion the council is in the company of the largest public and private institutions in the UK. The operation of our financial systems and processes are fundamentally important to our success and our ambition of being the best council.

One such area is debt management. At present (31st October 2016) we have £32m of overdue debt. This represents more than 20% of our net expenditure. The difficulties with the BT managed services contract has contributed greatly to this unsatisfactory debt position, but that is not the only cause.

Debt management is largely left to individual service areas to manage. In common with other activities such as contract management, procurement and risk management performance is mixed. And whilst the debt management industry in the private, regulated market has moved on considerably in recent years, our own debt management activities (in what is an unregulated market) are not all at the cutting edge of best practice.

Instead, and as a consequence of current practice, H&F has a piecemeal approach that results in sub optimal performance in some areas, potential duplication of effort and arguably less favourable terms for some of the contracts it enters into.

This is affecting both the top two purposes set out above and does not address the others.

We have in place a contract with Agilisys to help with debt management. This was envisaged to be rolled out across the council but, for a variety of reasons, was only delivered to a limited number of areas. Agilisys focussed effort on housing benefit overpayments work with, it must be said, some success. This contract expires at the end of March 2017.

2.0 Proposed Solution

H&F will approach the market with an opportunity to provide a wide range of support to the council, including training and development, consultancy, management and collection of debts. This will include further commissioning of sub-contractors for related work, such as enforcement agents (formerly known as bailiffs), as well as arranging debt purchase options where appropriate.

The successful bidder will be required to set up a joint venture company with the council and to sub-contract all work won under the framework (including the H&F work) to the joint venture. The council will be the majority shareholder of the joint venture and will have a majority vote on the board.

The joint venture will act as a Master Servicer for all debt related issues and opportunities across H&F. The activities will range from simply providing advice and consultancy, through to full debt management and issuing casework to enforcement agents.

The council will set up a user panel (senior staff from service areas, finance and commercial) to agree the scope of work that the joint venture will carry out for H&F, set out in a three-year strategic document and annual business plans. The panel will also oversee performance of the joint venture.

This approach will ensure effective oversight and coordination of all debt management related work.

3.0 Leadership and Ambition

The Commercial Director, in consultation with the Strategic Finance Director, will lead the areas of work that this procurement will cover. The Commercial Director will be accountable to the Cabinet Members for Finance and for Commercial Revenue and Resident Satisfaction as this procurement encompasses financial elements, commercial growth potential and will affect resident satisfaction.

The council has a clear ambition to be the best council. One of the ways we will achieve this ambition is by running the council in the most business-like fashion, taking care of every pound we have to spend and at the same time looking after the people we are here to serve. Effective and ethical debt management has a significant role to play in both respects.

A further ambition is to generate additional commercial revenue to support vital services in the face of unprecedented cuts from central government.

The commercial opportunity this procurement presents us with could be significant. The appointment of a partner to develop a joint venture with H&F will build on our emerging expertise in business intelligence such as debt prevention (eg rent arrears for our tenants where we have improved the debt position year on year by c. £600,000). The potential revenue is likely to be significant. The size of the debt management market in UK local government is

measured in billions of pounds. By way of example, recently, Brent Council announced it would be looking for private sector help to deal with their £60M of debt.

4.0 Local Economic Benefit

We have not identified any local firms with the requisite levels of regulatory approval and, given the complexity of achieving such approval and the timescales to which we are operating, it is not possible to help develop a local market. However, the ambition to create a joint venture through this procurement means that the council has control of where the JV shall operate from in geographical terms. As a local employer, this means we will be benefitting the local economy through the growth we will achieve.

There may also be opportunities for additional local employment through the creation of the joint venture. These may be in sales, sales support and other back office functions. The scope of the procurement will require bidders to put forward their proposals to achieve this.

5.0 Resources

The structure of this procurement will mean that there will be no ongoing costs, other than those which are payable to the JV based on either successful collection or debt sale. As a shareholder in the JV, a share of the profit (terms to be negotiated) will return to the council. The successful bidder will be expected to provide the initial financial support the JV will require, repayable from future profits.

Where the JV is selling services to other bodies, there will be a positive flow of cash back to the council. The operating costs of the JV will be kept as low as possible in order to maximise profits.

6.0 Project Management

The Commercial Director will be leading this project with assistance from colleagues in finance and procurement. As the contract with Agilisys ends in March 2017, progress must be rapid.

As such, a Prior Information Notice has been published. This will also allow us to gauge market interest and potential bidders before calling for competition. No sooner than 35 days after publication we can call for competition and proceed quickly to the submission of tenders. The aim is to complete the process by the end of January 2017.

7.0 Market and Commercials

The current supplier is Agilisys. The scope of their work has not extended as far as we had originally intended although the areas they are operating in appear to

be performing well. However, having not gone to market for eight years, we cannot compare performance objectively.

The performance of the successful bidder will be measured across the four ambitions stated above: effectiveness of debt management, delivery of service to the highest ethical standards, the performance of the JV in commercial terms and the exploitation and development of our Business Intelligence resources. Whilst the Financial Conduct Authority do not regulate local government debt management, authorisation by the FCA is a requirement for all bidders. We expect the same standards, as a minimum, to be applied to all work carried out by the successful bidder.

Similarly, very high, demonstrable levels of customer care and investment in staff will be essential. Experience of bringing these attributes to bear in the not-for-profit sector would be highly desirable.


As our ambitions are very high, we are not expecting the market to present a large number of bidders. However, given the sensitive nature of the service being provided back to H&F and to the wider market, pursuit of the highest standards should not be compromised.

We wish to let the contract as a framework contract for the maximum period of four years. We have named all UK local authorities, police forces, fire authorities, the NHS, central government, social landlords and educational establishments on the PIN and have set a maximum contract value of £500m, to reflect the size of the potential market.

7.0 Contract Management

Robust and outcome driven contract terms will be created to ensure the four purposes are delivered in full. Any significant failure – for example in ethical or regulatory terms – will allow the council to terminate at its discretion.

The contract will be managed by corporate finance for aspects of the service provided back to H&F by the JV. The Commercial Director will manage the performance of the joint venture, and will be accountable to the Cabinet Commercial Revenue Committee.

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">16 JANUARY 2017</p>	
<p>SCHOOL KITCHEN REPAIR & MAINTENANCE CONTRACT – CONTRACT AWARD REPORT FOR THE LONDON BOROUGH OF HAMMERSMITH AND FULHAM; THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA AND WESTMINSTER CITY COUNCIL</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 Cabinet agenda provides exempt financial information.</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Consultation: Legal, HR, Finance and Procurement have been consulted while drafting this report.</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Rachael Wright-Turner- Director of Commissioning for Children's Services</p>	
<p>Report Author: Allison Yeomans- Senior Contracts Officer (School Meals) Children's Services</p> <p>Jody Nason, Interim Head of Commissioning, Contracts and Commercial Children's Services</p>	<p>Contact Details: Tel: 02076413391 Email: ayeomans@westminster.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to seek approval to award the contract for School Kitchen Repair and Maintenance for the London Borough of Hammersmith and Fulham (LBHF).
- 1.2. The open part of this report provides background information in relation to the rationale behind the recommendations being made and the procurement process undertaken. The exempt part of this report provides exempt

information in relation to the scores and associated commercial and budgetary implications.

- 1.3. Officers are confident that the key objectives of the procurement have been met, in that the new service will continue to provide high quality services locally at a competitive rate.
- 1.4. The procurement process has been conducted and evaluated by a national framework Eastern Shires Purchasing Organisation (ESPO). This Framework Agreement has been established through a collaborative procurement exercise undertaken by the public sector buying consortia comprising the 'Pro5 Group', a national framework which contains 6 pre-qualified providers, one of which declined to participate. ESPO conducted a full EU compliant, transparent, open tender process awarding the Framework to a large number of suppliers across 5 product/service specific Lots. In this particular interest the Councils are calling-off Lot 5.
- 1.5. A formal notice inviting expressions of interest from potential suppliers was published in the Official Journal of the European Union (or 'OJEU') in December 2013 (OJEU ref 2013/S 236-409634. The corresponding award notice is OJEU ref 2014/S 071-122241).
- 1.6. This paper recommends that a contract is awarded from the 1st February 2017 for the provision of three sovereign School Kitchen Repair and Maintenance contracts for a period of three (3) years, with the option to extend for up to a further two (2) years.
- 1.7. The Contractor will be responsible for the preventative and corrective maintenance of specified catering equipment in all school kitchens signed up to the central School Meal provision contracts, across LBHF, RBKC and WCC.
- 1.8. The prices and breakdown submitted by First in Service (FIS) has reflected the expected costs associated with running the service.

2. RECOMMENDATIONS

- 2.1. That a contract be awarded for the provision of School Kitchen Repair and Maintenance contract, for a period of three (3) years, with the option to extend for up to a further (2) years commencing 1st February 2017.

3. REASONS FOR DECISION

- 3.1 The reasons for the recommendation are as follows:
 - 3.1.1 The Contractor being recommended for award, represents the most economically advantageous tender, offering both a high quality bid and financial efficiencies.
 - 3.1.2 The Contractor provided well documented evidence of providing this service in London and scored highly in quality and pricing of the tender process.

4. BACKGROUND

- 4.1 Schools and Governing Bodies within the three Boroughs have indicated a strong preference for the Council to procure sovereign borough contracts on their behalf for the delivery of catering equipment repair and maintenance services to ensure the continuity of School Meals. To date there are 96 Schools in total which are part of the School Meals contract and will require a catering repair and maintenance contract. The breakdown of which is as follows:

	RBKC	LBHF	WCC	Totals
No of Schools	21	34	41	96
No of Primary	19	29	37	85
No of Secondary	2	5	n/a	7
Other sites	n/a	n/a	4*	4

* There are 4 additional sites currently buying into the maintenance contract, these sites may wish to continue to receive the service in the new contract. These sites are made up of 3 primary settings and 1 secondary school.

- 4.2 Provision for the maintenance and repair of school kitchen equipment in each of the three boroughs is currently being delivered under extended contracts until 31st January 2017. The existing contracts have been formalised by direct awards until 31st January 2017 after which the new contract arrangements are to commence.

Overview of service required

- 4.5 The Contractor will be responsible for the preventative and corrective maintenance of specified catering equipment in all school kitchens signed up to the central School Meal provision contracts across LBHF as per the provided inventory, which is outlined within the service specification. The equipment must be maintained in an efficient state, in good repair and in compliance with all relevant statutory provisions. The Contractor will be required to provide a preventative and corrective maintenance service during normal working hours throughout the year, except bank holidays. Maintenance frequencies and response times are set out in the specification.

5.0 PROPOSAL AND ISSUES

The procurement process

- 5.1 After thorough market research, the ESPO (Eastern Shires Purchasing Organisation) 98 - Commercial catering equipment framework (Lot 5) was selected and has been utilised as the appropriate framework for calling off for the School's Catering Equipment Repairs and Maintenance contract. The framework has a rich list of carefully vetted and selected suppliers, all with a proven track record of successfully delivering all aspects of Commercial Catering Equipment and Associated Services.

Procurement Process Overview

- 5.2 The Mini-Competition (Tender Reference - prj_RBKC_5789) was advertised through the CapitalEsourcing portal, published on 1st July 2016 and closed 31st July 2016. The tender opportunity was subject to the Council's Contract Regulations and the Public Contracts Regulations 2015.
- 5.3 The Invitation to Tender was broken into 3 stages:
- Stage 1 Compliance – Qualification Envelope – completed by ESPO
 - Stage 2 Quality Award Criteria – Technical Envelope – completed by Children's Commissioning evaluation team
 - Stage 3 Price – Commercial Envelope – completed by Children's Commissioning evaluation team
- 5.4 The ESPO 98 - Commercial Catering Equipment Framework (Lot 5) was set up with 6 providers appointed onto Lot 5 of the framework, these are; Acme Facilities Limited, Airedale Catering Equipment Limited, Coldstar (UK) Ltd, First In Service (FIS) Limited, Court Catering Equipment limited, and JLA Limited. Of the six suppliers on the framework lot 5, Coldstar, declined to participate in the mini-competition held due to workload/capacity issues, Acme Facilities and Airedale did not submit a bid while Court Catering, FIS and JLA submitted a bid. CaterCover, the incumbent provider for RBKC was unable to bid as they were not registered with ESPO. CaterCover will be advised of the outcome of the procurement once the new contract has been awarded.
- 5.5 The award of the contract is on the basis of the most economically advantageous tender (MEAT) received, taking into account both quality and price.
- 5.6 ESPO Framework 98 (Commercial Catering and Equipment Services Lot 5) outlines its weighting as follows:
- Quality 40% (within the Technical Envelope)
 - Planned Servicing
 - Reactive Maintenance
 - Equipment Repairs
 - Third Party Contractors
 - Social Value & Responsible Procurement
 - Price 60% (within the Commercial Envelope)
 - Call-out Charge
 - Labour - Hourly rate
 - Spare Parts
 - Annual servicing of equipment
 - Cleaning of extractors
- 5.7 The quality criteria which was evaluated against the 40% quality weighting, was aimed at meeting/achieving the requirements specified in the service specification that the service procured must;
- deliver the highest quality service
 - achieving economy of scale.
- 5.8 This was evidenced in the responses, as all the bids received were multi-borough bids and all offered Volume Discounts in their proposal were they to

be successful across all three boroughs. If the contracts are not agreed across the three boroughs, the Volume discounts may not still apply to the contract values.

- 5.9 The contract/ call-off term will be for an initial period of three (3) years starting from 1st February 2017 with an option to extend for a further two (2) years period (subject to satisfactory service provision), making the total contract length five (5) years if the extension is utilised.
- 5.10 After a thorough evaluation and moderation by the panel of evaluators, the submitted bids were ranked see table 1C of the exempt report.

Qualification envelope evaluation

- 5.11 All qualification questions were mandatory and candidates who failed any of them would have been excluded from the rest of the procurement process. None of the bidders failed and all were taken through to full evaluation. A financial analysis was undertaken for the top two (2) ranking bidders as these were the most viable providers at this stage of the call-off, as shown in the exempt report, section 13.
- 5.12 Each Bid must achieve a minimum level of acceptability as defined by the compliance standards set out in Table 1 Appendix 1. The Authority reserves the right to reject without further discussion any Bid which does not meet the compliance standards.

Technical (Quality) envelope evaluation

- 5.13 The specification sets out the Council's requirements for the management and delivery of the service across all 3 Boroughs, delivering preventative and corrective maintenance services to school kitchen equipment.
- 5.14 The Tender Evaluation Team consisted of representatives from all 3 boroughs; two members of the School Meal Contract team (SMCT), who are subject matter experts and a member of the Corporate Contract team for Children's services.
- 5.15 The quality factors were weighted according to their importance, with greater percentage based on meeting the specification and service outcomes. There were 5 questions in total.
- 5.16 Quality was assessed on the basis of a Bidder's written submissions in response to the questions in the Technical Envelope as set out below in table 2, Appendix 2.
- 5.17 The scoring table is set out in Table 3, Appendix 3. Each response to the award criteria was marked out of a possible score of 0 to 5. The scoring was based on the general principles and descriptions shown in Table 3.
- 5.18 All evaluators scored the questions individually on the CapitalE-sourcing portal. Moderations were then facilitated by an officer in the procurement team and an officer in the children's commissioning team; and a final score for the quality envelope was agreed.

Technical (Quality) and Commercial (Price) Award Criteria and Weightings

- 5.19 Questions in both the technical and commercial envelopes were scored using the scoring mechanism of between 0 – 5 as set out in Table 3, Appendix 3. Each question in the technical envelope were weighted according to the importance and relevance of service and specification requirements Table 4, Appendix 4 shows the sub-criteria weightings attached to the Technical (Quality Questions).

Commercial envelope evaluation

- 5.20 The pricing submission was evaluated based on the weighted scoring of 60% criteria, as shown in Appendix 5.

Compilation of percentages awarded

- 5.21 The percentages awarded to each Bid for the Price (Commercial Envelope) and Quality (Technical Envelope) elements of the evaluation were added together. The final ranking is detailed in the exempt report, section 5, Table 2.

Mobilisation and contract management

- 5.22 The mobilisation group will include the School Meal Contract team (SMCT), HR and officers from the commissioning team. The first mobilisation meeting will take place 10 days after formal approval of the contract. Schools will be informed of the change as early as possible in February 2017.
- 5.23 Part of the mobilisation process will include review of the current inventories, as stated in the tender documents the inventories were possibly not up to date on some sites, and changes to schools with some currently in the process of moving from a servery to a production site.
- 5.24 The Key Performance Indicators (KPI's) issued as part of the specification outline the elements of the service that will be monitored by the School Meal Contract team (SMCT). Robust performance management procedures are specified within the contract to ensure a clear and consistent approach to monitoring and managing service delivery. Reporting requirements and approaches should corrective measures be required are also contained within the Contract.
- 5.25 Key Performance Indicators shall apply to the full contract period. Each year the content will be subject to review to accommodate the development of the contract. These performance measures will form an integral part of the contract monitoring. Please refer to Appendix 6 for KPI details.
- 5.26 The successful supplier will provide at the end of term, service data in an agreed format for the contract management team of each Borough. Monitoring template for the contract data collection will be agreed between the contractor's authorised officer and the School Meal Contract Management

Team (SMCT) during the mobilisation phase of this contract. Please refer to clause 14.0 - Performance Reporting in the service specification for more details.

Contract Management

- 5.27 The contract will be managed by the School Meals Contract Team, within the Children's Services Commissioning Directorate.
- 5.28 The successful provider will be required to report data regarding service delivery, annual maintenance, inventory of assets, including age of equipment and timeliness of call-outs and responses in order to report on the delivery of the service. This will be reviewed through mutually agreed contract management.
- 5.29 The contract will include provision for annual service reviews to ensure the service is responsive to the needs of the contracting authorities.

Contract Termination

- 5.30 There are standard termination clauses within the contract, but no break clauses. Please refer to section 8 of the terms and conditions of the contract for further details.

6. OPTIONS AND ANALYSIS

- 6.1 Due to the commercially sensitive nature of this contract, options and analysis are presented in the exempt part of this report.

7. CONSULTATION

- 7.1 The School Meals Contract team liaised with current contractors (First in Service and CaterCover) as well as other relevant contractors including potential school meal contractors and Facilities Management Contractor, etc on the potential best long-term options prior to undertaking the mini-competition.
- 7.2 There were up to 6 potential suppliers on the ESPO framework who cover the London area, and one of those is an incumbent supplier (First in Service).
- 7.3 Only three of those suppliers bid for the service.
- 7.4 CaterCover who are the incumbent contractors in RBKC, were unable to bid under the ESPO framework as they were not registered to tender for framework 98. CaterCover have however been informed on how to register in order to become an ESPO supplier in the future. This framework will be re-tendered by ESPO during 2017. This of course does not affect our contracts.
- 7.5 Once the contract/ call-off has been awarded there will also be demobilisation meetings between the SMCT and CaterCover to draw their contract to a close and transfer any relevant details and documentation to the new provider. As CaterCover did not identify any staff under TUPE arrangements, there will be

not staff transferring to the new provider. Preparation of the demobilisation of the contract and future communication will be managed by the SMCT and requesting review and updated asset register of equipment.

- 7.6 Engagement with schools was undertaken as part of the School Meals working party.

8. EQUALITY IMPLICATIONS

- 8.1 An initial Equality Impact Assessment (EIA) was carried out by project staff when the project was initiated in February 2016 and has remained live during the course of the procurement. The initial indication that there will be no impact on equalities, and this outcome has remained the same throughout the procurement process.

9. LEGAL IMPLICATIONS

- 9.1 The school catering equipment repair and maintenance contract is subject to full regime of applicable Public Contracts Regulations. Using the ESPO Framework for further mini-competition was in compliance with the boroughs' obligations under the Public Contracts Regulations 2006 under which the Framework was procured.
- 9.2 Sovereign contracts between each borough and the selected service provider will ensure smooth operation of the contracts in accordance with each borough's requirements. Three separate sovereign contracts will be awarded, one for each borough with the same supplier.

Legal Implications provided by Babul Mukherjee, Senior Solicitor (Contracts), Shared Legal Services. T: 02073613410, E: babul.mukherjee@rbkc.gov.uk

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1 It is important to note that overall the current contract values, detailed in the exempt report, have not increased in value since 2004 (nearly 11 years). The budget for the maintenance charge was just one element of the service level agreement between schools and each respective Local Authority for the provision of the school meals within the central service contract. Any underspends within each budget line at the end of the financial year would be credited back to the schools after reconciliation of all costs for the school meal provision.
- 10.2 The budget for this service will be funded from the dedicated schools grant (DSG). Those schools signed up to the agreement will be recharged termly in arrears. For all three boroughs, school kitchen equipment repair and maintenance costs are recharged to schools via a traded service. This invoicing arrangement will continue under the new contract.
- 10.3 In line with the London Borough of Hammersmith and Fulham (LBHF) policy, the preferred Contractor has confirmed that all staff are remunerated in

accordance with the London Living Wage (LLW) and will continue to be for the duration of the contract.

Financial Risk Assessment (Suppliers Credit Check)

- 10.4 The financial status of the first two (2) ranked suppliers was carried out by the finance team (Using Credit Safe) the outcome from this evaluation is detailed in the exempt report, section 12. The contract will be subject to robust contract monitoring and we will maintain the ability to call on the existing ESPO framework if required.

Financial Implications provided by Michael Hallick, Lead Education Business Partner - Children's Services. E: mhallick@westminster.gov.uk

11. IMPLICATIONS FOR BUSINESS

- 11.1 Implications for business were considered throughout the procurement. This report recommends the award of the maintenance contract to First in Service (Ltd), who happens to be the existing provider, through the ESPO framework which will allow for business continuity within the borough.

12. OTHER IMPLICATION PARAGRAPHS

HR IMPLICATIONS

- 12.1 The Authority considers that TUPE is likely to apply to LBHF only (unless there is a legal reason for it not to apply) in respect of employees currently engaged in the provision of the Services. If the contract is awarded to First in Service (FiS), this mitigates against any TUPE requirements.
- 12.2 There are no TUPE implications which directly affect any of the Councils. The service provider must take its own legal advice to establish whether there are any TUPE implications, in particular for those staff working for CaterCover (the incumbent provider for RBKC).
- 12.3 If FiS are awarded this contract, then TUPE would not apply to the staff currently engaged on the contract as there would not be a service provision change.

**HR Implication comments provided by:
Romilly Tolhurst, Hr Consultant (Children's Services) – RBKC/ LBHF.
E: Romilly.Tolhurst@rbkc.gov.uk**

RISK

- 12.4 Risk has been considered throughout the procurement process and will continue to be managed through the mobilisation and into performance management of the contract. The department has a risk management framework in place for the purpose of identifying and managing risk and adheres to the corporately provided guidelines.

**Risks reviewed by Michael Sloniowski, Shared Services Risk Manager.
T: 020 8753 2587.**

*Rachael Wright-Turner
Director of Commissioning for Children's Services*

13. 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	Table 1: Compliance Criteria
Appendix 2	Table 2: Quality breakdown
Appendix 3	Table 3: 0 to 5 (Zero to Five) Marking Scheme
Appendix 4	Table 4: sub-criteria weightings attached to the Technical (Quality Questions)
Appendix 5	Table 5: Commercial envelope: pricing submission
Appendix 6	KPIs
Appendix 7	Additional Information

Table 1: Compliance Criteria

Compliance Standard	Rationale
Compliant and bona fide Bid	There is no material breach of ITT conditions; that the Bid is complete; that there is no collusion or corruption or anti-competitive behaviour; and that all required information is provided.
Legal Acceptability	There is no legal impediment to the Authority entering a contract with the successful Bidder in the Authority's form.
Complete Bid	The Bidder has confirmed that it is able to provide the Services as detailed within the Service Specification.

Table 2: Quality breakdown

No.	Description of Quality Criteria	Weightings
1	Mobilisation of Contract	5%
2	Planned Servicing	6%
3	Reactive Maintenance and Equipment Repairs	17%
4	Third Party Contractors	8%
5	Social Value & Responsible Procurement	4%
	Total	40%

Table 3: 0 to 5 (Zero to Five) Marking Scheme

Score	Rating	Criteria for Awarding Score
0	Unacceptable (fail)	The information is omitted/no details provided, or irrelevant answer provided
1	Poor (fail)	The Authority has serious reservations that the Bidder understands the requirement in the question. The proposal provides very limited evidence and assurance that the relevant aspect of the service would be delivered to the expected standard and there are serious doubts about aspects of the response.
2	Fair (fail)	The submission is superficial and generic in its scope. The Authority has some reservations that the Bidder understands the requirement in the question. The proposal provides some limited evidence and assurance that the relevant aspect of the service or requirement would be delivered to a satisfactory standard.
3	Satisfactory	The Authority is reasonably confident that the Bidder understands the requirement in the question and the proposal provides some satisfactory evidence and assurance that the relevant aspect of the service or requirement would be delivered to a satisfactory standard.
4	Good	The submission is robust and well documented. The Authority is confident that the Bidder understands the requirement in the question and the proposal provides good evidence and assurance that the relevant aspect of the service or requirement would be delivered to a good standard.
5	Excellent	The proposal is innovative and adds value. The Authority is completely confident that the Bidder understands the requirement in the question and the proposal provides very good evidence and assurance that the relevant aspects of the service or requirement would be delivered to an excellent standard.

Appendix 4

Table 4: sub-criteria weightings attached to the Technical (Quality Questions)

TECHNICAL (QUALITY) QUESTIONS			
NONE PRICE FACTOR (40%)			
Award Criteria		Question	Sub - Criteria Weightings
No	Sub-Criteria		
1	Mobilisation of Contract	<p>Please submit your mobilisation and demobilisation plan (if you are an incumbent) for</p> <ul style="list-style-type: none"> • one borough • two boroughs • three boroughs 	5%
2	Planned Servicing	Please explain how you would plan and execute the annual servicing of all equipment. Please include the cleaning of extraction systems within the kitchen?	6%
3	Reactive Maintenance and Equipment Repairs	<p>Please explain how you would ensure that faulty equipment is repaired within the agreed minimum timeframe. The response should include but not be limited to;</p> <ul style="list-style-type: none"> • obtaining spare parts, • the process and timeframe for agreeing estimates for approval • Timeframe to complete the work. • Allocation of appropriately trained engineers • Ensuring there is no negative impact on the meal service 	17%
4	Third Party Contractors	<p>Please explain your process for carrying out repairs and maintenance in other circumstances. The response should include and not be limited to;</p> <ul style="list-style-type: none"> • during school closure times in the event of another contractor already undertaking major works on site. • Use of sub contractors for repairs for named /specialist pieces of equipment 	8%
5	Social Value & Responsible Procurement	<p>LBHF, WCC & RBKC have a commitment to social value and providing support to local businesses and people.</p> <p>Please outline, by borough, how you will:</p> <p>a) maximise local employment and training opportunities particularly in relation to apprentices and people with disability;</p> <p>b) Work alongside and/or support SMEs and local organisations, including your approach to local sourcing of work force, and;</p> <p>c) Provide added value beyond the scope of the specification.</p>	4%
			40%

Table 5: Commercial envelope: pricing submission

Maintenance Contract Costs – OPTIONS		YEAR 1 Annual Value	YEAR 2 onwards Annual Value	Total Year 1 & Year 2	Evaluation Weighting
Annual Contract price SINGLE BOROUGH (WC only)		£0.00	£0.00	£0.00	8%
Multi – Lot (Borough Application)					
Annual Contract price - WC and HC		£0.00	£0.00	£0.00	5%
Annual Contract price - WC and KC		£0.00	£0.00	£0.00	5%
Annual Contract price - All 3 Boroughs		£0.00	£0.00	£0.00	7%
Ad-hoc Charges, Rates and Times		YEAR 1	YEAR 2		Evaluation Weighting
Call Out Charge	1st Hour on Site	£0.00	£0.00		7%
Labour Hourly Rate	Additional hour(s) after 1st Hour	£0.00	£0.00		8%
Response Times	MIN Response Time	30	30		8%
Cleaning of Extractors	A fixed charge for cleaning small, medium and large extractors	£0.00	£0.00	Same irrespective of SIZE?	5%
Disposal Charge	Refrigeration Units ONLY	£0.00	£0.00	Not evaluated?	1%
Spare Parts	Rates for spare parts as a % discount off the list price	0.00%	0.00%		6%
Total evaluation score					60%

- The cost of cleaning of the extractor system has been quoted to be the same irrespective of the systems and size of output which are in place in individual kitchens.

KPIs

KPI 1: Management Information

The content and frequency of management information will be agreed at the point of award but is likely to include but not be limited to; service levels, and a register of complaints including remedial action taken.

KPI 2: Benchmarking and Trend Analysis

The content and frequency of this information will be agreed at the point of award but is likely to include but not be limited to; Contract pricing performance, which will be robustly benchmarked; trend analysis will also inform future commissioning options.

KPI 3: Delivery and Quality Performance Reports

The following service level is the minimum expected;

Requirement	Response
Provide quotations for simple product related enquiries (by phone or email)	95% within 4 working hours 99% within 1 working day
Provide quotations for complex product related enquiries (by phone or email)	95% within 1 working week 99% within 2 working weeks
Delivery Schedules for both simple and complex orders	98.5% of orders delivered within agreed delivery lead time.
Orders not delivered within agreed delivery lead time	99% of orders delivered within revised agreed delivery lead time.
Average equipment up-time	98%
Minimum equipment up-time	97%

KPI 4: Invoice, Delivery and Credit Note Accuracy

Throughout the contract period the Authorised Officer/ SMCT will check a representative sample of invoices using an electronic invoice checker OR manual method to determine pricing accuracy.

KPI 5: Sustainability and Environmental Targets

The Contractor will be required to produce an annual report to provide details of annual Contractor improvements.

KPI 6: Continuous Improvement


The Contractor will be required to submit details of complaints received in respect of product or service quality including the remedial actions taken.

The Contract Management Team will monitor invoice accuracy, Price file accuracy, the resolution of pricing issues, and the resolution of operational difficulties including the quality of response. The Contractor will be expected to work with the Authorised Officer/ SMCT to suggest possible improvements in efficiency that can be achieved in processing transactions, including order receipt, payments etc.

Additional Background Information

- 1.1 It was originally envisaged that kitchen equipment related services would have been covered under the Total Facilities Management Framework (TFMF), or the School Meals Contract. However, schools have shown very little appetite for awarding such services under the TFMF and providers of the school meals service are equally reluctant to diversify in order to adopt equipment and repairs activity.
- 1.2 The current contracts are held by the School Meals Contract team within Children's Services Commissioning Team on behalf of schools who buy into the provision. Following this procurement/ award process schools in all three boroughs will be recharged for this provision. Schools have already contractually confirmed their willingness to cover the costs of repair and maintenance contracts through the wider School Meals Service Level Agreement contract between each respective borough and each school. Sovereign borough contracts procured on the basis of a single offer for all three boroughs' provision will ensure value for money for schools due to the aggregate volume, and will ease of performance management of the successful contractor.
- 1.3 The advantages of calling off from this ESPO Framework 98 (Lot 5) are:
 - It protects the sovereignty of each Council by enabling individual call-offs and contracts for each Council and helps to mitigate the impact if one Council opted to break from the service early.
 - Mini-competition provisions under this framework enable selection of one supplier which does offer economies of scale and potentially reduce transactional costs. All three bidders for the contract opted to tender for all three lots.
 - The guarantee of business to a single provider enables the development of a longer term, collaborative relationship, which will allow further service development, improved resolution of issues and potentially greater service efficiencies;
 - The sustainable pricing structure encourages the provider to invest and continuously improve the services.
 - The Framework allows for the tailoring of the specification in line with local requirements.

Agenda Item 16

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>16 JANUARY 2017</p>	
<p>COMMISSIONING HIGHER EDUCATION PARTNER FOR STEP-UP TO SOCIAL WORK PROGRAMME</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: None</p>	
<p>Accountable Director: Steve Miley, Director of Family Services and Rachael Wright-Turner, Director of Commissioning</p>	
<p>Report Author: Steve Comber, Strategic Commissioner</p>	<p>Contact Details: E-mail: steve.comber@rbkc.gov.uk</p>

1 EXECUTIVE SUMMARY

- 1.1 This report seeks approval for the procurement strategy to commission a Higher Education Partner to deliver the educational elements of the “Step Up to Social Work” Programme, in partnership with eight local authorities in West London.
- 1.2 Fully funded by central Government via a grant from the Department for Education, this innovative programme seeks to train children’s social workers so that, at the end of the course, they gain a Post-Graduate Diploma with the opportunity to obtain credits towards a Master’s degree in Social Work; the objective being that participating local authorities will be better able to attract and retain well-qualified children’s social workers at a time when this is proving difficult nationally.
- 1.3 In August 2011, The Council awarded a contract to the University of Hertfordshire for a period of two years, up until August 2013. The contract

was extendable at the absolute discretion of the Council by further periods or period to give a potential contract duration of up to six years.

- 1.4 This period is due to expire in August 2017 and, in order to continue delivery of the programme for the fifth cohort (due to start in January 2018), a recommissioning process is required.

2 RECOMMENDATIONS

- 2.1 That the procurement strategy, be approved.
- 2.2 That delegated authority be granted to the Director of Family Services and Director of Commissioning in consultation with the Cabinet Member for Children and Education to award a six-year contract to a Higher Education Institution with a total value of c.£1,100,000 (c.£380,000 for each of the three potential cohorts).
- 2.2 To note that this contract will be let by Hammersmith and Fulham Council and will include break clauses at two-year intervals. The contract will only continue on the basis of satisfactory performance by the Provider and continued funding from the Department for Education.

3 REASONS FOR DECISION

- 3.1 The overall value of the proposed tender, which will be led by Hammersmith and Fulham Council, meets the thresholds for authorisation by the following decision making bodies as a Key Decision:
- Children's Services Contracts and Commissioning Board (approval received on 19 October 2016)
 - Cabinet

4 BACKGROUND

- 4.1 Hammersmith and Fulham is the lead borough for the delivery of the Step Up to Social Work programme on behalf of the eight West London Alliance authorities listed below:
- Brent
 - Ealing
 - Hammersmith & Fulham (lead borough)
 - Harrow
 - Hillingdon
 - Hounslow
 - Kensington and Chelsea
 - Westminster

- 4.2 In 2011 Hammersmith and Fulham competitively tendered a contract for a higher education institution to develop and deliver the “Step-Up” programme on behalf of a West London Alliance).
- 4.3 In August 2011, The Council awarded a contract to the University of Hertfordshire for a period of two years, up until August 2013. The contract was extendable at the absolute discretion of the Council by further periods to give a potential contract duration of up to six years.
- 4.4 This period is due to expire in August 2017 and, in order to continue delivery of the programme for the fifth cohort (due to start in January 2018), a recommissioning process is required.

The Step-up programme

- 4.5 As with every other London authority the eight boroughs within the West London Alliance have experienced difficulties in the recruitment and retention of children's social workers.
- 4.6 Funded by DfE, the Step-up programme is a 14-month Post Graduate Diploma in Social Work with the option to top up to a Master's Degree, which has been specifically designed as an innovative way to train social workers. The programme has significantly greater employer input into the course design and content in comparison with other qualifying social work programmes. Students are contracted to work with their host authority and upon successful completion of the course will be expected to continue their employment for two years with the Council they are paired with.
- 4.7 Across the West London Alliance, there have been four Step-up cohorts comprising of 126 trainees overall, 33 of which are due to complete the programme in June 2017.

Cohort	Number of students	Date
Cohort 1	33	2011
Cohort 2	27	2013
Cohort 3	33	2015
Cohort 4	33	2017

- 4.8 Of the 13 students who have completed the course in either cohort 1, 2 or 3 in Hammersmith and Fulham, 12 are still registered social workers and two thirds are still working in the borough. A further five Hammersmith and Fulham students are due to complete in August 2017.
- 4.9 Reports of the performance of Step-up graduates are extremely positive and it is considered that they are better prepared for frontline social work in comparison with newly-qualified social workers from traditional routes. Of those graduates from cohorts 1, 2 and 3 that are still working in the Hammersmith and Fulham, 50% have been promoted into Senior Social Worker roles.

- 4.10 The programme has also been validated nationally. The review of social work education commissioned by the DfE views the programme very highly, as does the first national evaluation of the programme completed in June 2013 by Baginsky and Teague.

Continued funding

- 4.11 On 4 July 2016, the Department for Education (DfE) announced their continued support of fast-track programmes, including Step Up, for a further two years as part of the Social Work Reform agenda. A bid for continued funding now needs to be produced by the West London Alliance and the deadline for submitting this is 16 December 2016.
- 4.12 We expect to know the results of this bid by mid-to-late-January, and the completion of any procurement process will be dependent on the success of this.

5 PROPOSAL AND ISSUES

Overarching proposal

- 5.1 The contract will be let to an appropriate education provider to deliver a Step Up to Social Work Health and Care Professions Council (HCPC) validated 16-month programme to around 30-35 students.
- 5.2 The contract is to be let by Hammersmith and Fulham Council on behalf of the West London Alliance. The contract will commence on or around mid-May 2017 and will run for six-years, until August 2023 (the 'Contract Period'). The contract will have break clauses at two-year intervals. The continuation of the contract following each two-year period will be at the absolute discretion of the Council and will be dependent on:
- a) continued funding of the programme by the DfE
 - b) satisfactory performance by the provider. This will be monitored via regular contract management meetings and demonstrated via a report to be produced at the end of each cohort.
- 5.3 This approach means that, if and when further funding is obtained from the DfE, the process to extend the contract to deliver the programme to further cohorts will be more efficient.

Funding the programme

- 5.4 The procurement will only take place if the West London Alliance is successful in its bid for further funding from the DfE to implement Cohort 5.
- 5.5 The bid for this will be submitted to the DfE on 16 December 2016 and the outcome will be known by mid-to-late January 2017.

Market engagement

- 5.6 A market warming event was held at Kensington Town Hall on 27 July 2016 and was attended by representatives from various Higher Education Providers.
- 5.7 The event was positive and it is considered that the providers in attendance are likely to submit a bid. Furthermore, there are other providers who have declared an interest but were unable to attend on the day and are also likely to submit a bid.

Developing the specification

- 5.8 The commissioning team have met with the Step-up steering group to present discuss improvements that could be made to the programme, which can be incorporated into the specification. Furthermore, the findings from the market engagement event have also been used to develop the specification.

Meeting the deadlines for Cohort 5

- 5.9 In order to deliver Cohort 5, the provider will need to be in place by 5 June 2017, so that they can support the assessment centres that take place in mid-June.
- 5.10 The milestones required to meet this deadline are outlined in the project plan at appendix 1.

6 EQUALITY IMPLICATIONS

- 6.1 The successful Higher Education Institution will assess student suitability for the programme, in partnership with the WLA Steering Group members, taking into account its obligations under the Equality Act 2010 for all protected characteristics.

7 LEGAL IMPLICATIONS

- 7.1 There are no legal implications to the proposed recommendation of the procurement strategy (the “Strategy”) under this report. It is noted that a Prior Information Notice (the “PIN”) has been issued in respect to the Strategy. Therefore, Council should publish the advertising Contract Notice in the Official Journal of European Union within twelve (12) months to the PIN being issued in accordance with Regulation 48 of the Public Contracts Regulations 2015 (the “Regulations”).
- 7.2 A preliminary market consultation has been undertaken to assist the planning and conduct of the Strategy. In the circumstances it is important that the chosen procedure followed will not have the effect of distorting competition so the Council does not fall foul of Regulation 18 of the Regulations.

Legal comments provided by: Sharon Cudjoe, Solicitor – 020 7361 2993
(17 October 2016)

8 FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1 Hammersmith and Fulham Council has previously tendered the HEI contract, on behalf of the 8 boroughs that make up the West London Alliance. The new contract is to be let the Council on behalf of the WLA and the expectation is that the “Step Up to Social Work” Programme will be fully funded, by central Government, via a grant from the Department for Education. Hammersmith and Fulham Council will receive and administer this grant on behalf of the WLA. The Assistant Directors Project Board will oversee the running of the programme and they will receive regular updates from the programme manager, who has direct oversight of the programme budget.
- 8.2 It is important to note that across Hammersmith and Fulham, Kensington and Chelsea and Westminster there is no dedicated general fund available to cover expenditure related to the Step Up to Social Work programme. Costs incurred over and above the allocated grant funding amount, will result in pressure on Family services budgets. It is therefore essential that the programme spend does not exceed the allocated grant funding available and that procurement will not go ahead if the DfE withholds grant funding.

Finance comments provided by: Lize Ferreira, Finance Officer, Children’s Services

9 PROCUREMENT IMPLICATIONS

- 9.1 To judge from past performance, the rationale and solution offered by the Step Up programme would appear to answer the need across London boroughs to recruit and retain well trained and experienced social workers for children’s services. This experience informs the decision to bid for further Department for Education (DfE) funding and to procure a new Higher Education Institution (HEI) provider to carry forward the programme in the 2017/18 academic year and beyond. The Lead Commissioner and Programme Manager have assembled a detailed project plan and made an early start by publishing a Prior Information Notice (PIN) to make known the contracting authorities’ intention for the planned procurement and to extend an invitation to interested parties to a market engagement event.
- 9.2 The PIN was a good start but there are compelling reasons to extend the remit further now: HEIs, like local government, are more usually buyers of goods and services than suppliers. For them, the Official Journal of the European Union (OJEU) may not be the most obvious place to search for funding opportunities.

- 9.3 Following the market event, just six HEI providers are thought likely to submit a tender. Experience shows, however, that initial expressions of interest do not necessarily translate into bids – and, of those returned, there is inevitably some “wastage”: those that are deemed incomplete or non-compliant and have to be disqualified. Whilst there is no minimum prescribed for the number of qualified candidates who may participate in an Open procedure, a strong field of contenders gives stakeholders and the DfE the confidence of a genuine competition insofar as there are enough tenders and qualified candidates to ensure a robust selection process.
- 9.4 It is worth considering a mini direct mail campaign in the form of a monthly letter between now and late January 2017 when the funding decision will be made. [There are already resources in place to construct a bespoke mailing list.] It needs only be an update with brief highlights of new developments to maintain the momentum and interest for those already familiar with the programme, and engage others who might not have been aware but may be encouraged to bid.
- 9.5 It would also suit present purposes to adopt a more flexible approach towards the provision of classroom venues. London is well-served by public transport and the cohorts have historically been quite small; for a non-London HEI provider, the problem of providing a central learning location could be overcome if just one or two of the participating councils can licence a suitably-sized room to the provider for use during term time. The advantages are obvious: it will help the HEI provider to conserve grant monies that could be better deployed elsewhere – and encourage out-of-London providers, who might otherwise have been put off by the need to find and fund a London venue, to tender for the contract. Bear in mind as well that, from a procurement perspective, the bidding criterion for a central London location could be seen to be artificially narrowing the competition which is illegal.

Procurement comments provided by: Oluwakemi Ore, Procurement Officer, Children’s Services.

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 Project Plan

APPENDIX 1 – PROJECT PLAN

Timescales		Commissioning and Procurement Activities	Local Authority Governance	Step-Up Activities
Start	End			
July 2016		Notify legal		
July 2016		Publish Prior Information Notice (PIN)		
July 2016	August 2016	Conduct market engagement activity		
July 2016	September 2016	Drafting of COCO Commissioning Strategy		
wb 12 September 2016		Commence additional market engagement activity		
20 September 2016				Discussion with WLA members at Steering Group - developing specification


07 October 2016	Deadline for COCO Commissioning Strategy to be sent to Finance and legal		
11 October 2016	Market Engagement Event 2		
04 November 2016	Councillor Briefing		
12 December 2016	Receipt of final specification and technical questions by Procurement Team		
16 December 2016			Deadline for bid to be provided to DfE
03 January 2017		Deadline for submission to LBHF Cabinet	
16 January 2017		LBHF Cabinet	

18 January 2017	Send procurement information to TED		
27 January 2017 (tbc)			Announcement from DfE re. funding
January- May 2017			Step Up national and local advertising
25 January 2017	OJEU notice published		
27 January 2017	Launch Procurement (Issue ITT)		
13 February 2017	Register all evaluators on CapE		
27 February 2016 (tbc)	Receive tenders		

27 February 2017	10 March 2017	Evaluate tenders and moderation meeting		
13 - 16 March 2017		Draft Award Report		
Mid-March 2017				Step Up application form goes live
28 March 2017			LBHF Cabinet Member Sign-off	
07 April 2017	12 April 2017	5 day call-in period following Cabinet approval		
13 April 2017		Issue notification of decision and standstill period & debrief bidders		

14 April 2017	24 April 2017	Observe 10-day EU Standstill period		
25 April 2017		Issue letter of acceptance		
26 April 2017	05 May 2017	Sign contract		
Mid May 2017				Step Up application window closes
08 May 2017	02 June 2017	Development, Mobilisation and Transition		
21 May 2017		Deadline for issuing Contract Award Notice		
May - June 2017				Shortlisting undertaken with HEI

05 June 2017	Contract Commencement		
Mid June - Mid July			Assessment Centres
01 January 2018			Cohort 5 starts

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">16 JANUARY 2017</p>	
<p>AGREEMENT FOR THE DIRECT AWARD OF DAY SERVICES FOR PEOPLE WITH DEMENTIA</p>	
<p>Report of the Cabinet Member for Health and Adult Social Care: Councillor Vivienne Lukey</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p> <p>Key Decision - Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Liz Bruce – Executive Director of Adult Social Care</p>	
<p>Report Author: Lisa Cavanagh, Dementia Services Review Lead, Joint Commissioning Team.</p>	<p>Contact Details: Tel: 020 7641 2631 E-mail: lcavanagh1@westminster.gov.uk</p>

1. EXECUTIVE SUMMARY

1.1. Hammersmith and Fulham Council's Adult Social Care department and Hammersmith and Fulham Clinical Commissioning Group (HFCCG) commission two day services and a Dementia Adviser post in the community that offer support for people with Dementia and their carers. The services are:

- St Vincent's Day Centre run by The Alzheimer's Society
- Dementia Adviser, provided by The Alzheimer's Society
- Activity Plus, Dementia Outreach run by Housing and Care 21.

1.2. The contracts that govern current arrangements are due to expire 30th November 2016.

1.3. This report seeks approval to waive the Council's Contract Standing Orders (Under CSO3) of the requirement to seek competitive bids and

approval for the direct award of three contracts for the provision of Dementia services to the incumbent providers.

- 1.4. Housing and Care 21 have recently notified the Council of their decision to withdraw from this sector of the market and are proposing to novate all contracts to Ark Home Healthcare Limited and TUPE staff. In LBHF this affects the Activity Plus service.
- 1.5. Officers are requesting a contract waiver to directly award to Housing and Care 21 to ensure appropriate contracting arrangements are in place whilst Officers undertake the necessary due diligence for the proposed novation to Ark Home Healthcare Limited. Subject to the outcome of the due diligence the contract with Housing and Care 21 would then novate to Ark Home Healthcare Limited. A direct award to Housing and Care 21 at this time will mitigate any risks associated with slippage in the timelines should agreement be given to novate and will also maintain a period of stability for all stakeholders including vulnerable service users during a transition period.
- 1.6. The services and values that are subject to approval for direct awards are set out in Table 1 below.
- 1.7. The total cost of the 16-month contract period, from 1st December 2016 to 31st March 2018, would be (in accordance with current arrangements) £640,476. The total cost of the contract period for the London Borough Hammersmith and Fulham (LBHF) would be £594,476 with the remainder £46,000 of funding provided by HFCCG via Section 75 Agreements.

2. RECOMMENDATIONS

- 2.1. That approval be given to waive the Council's Contract Standing Orders (CSO) 3.1 to directly award three contracts from 1st December 2016 to 31st March 2018 to the incumbent service providers.
- 2.2. That approval be granted to the Executive Director of Adult Social Care in consultation with Cabinet Member for Adult Social Care and Health to award the three contracts to the incumbent providers as outlined in Table 1 setting out details of the services and values for the contract period.

Table 1: Contract Values

Provider	Service Name	Description	Annual Contract Value	ASC Annual Contrib.	HFCCG Annual Contrib	Total Value for Contract Extension 16 months- 01/12/16 – 30/03/18)	Funding Mechanism
Alzheimer's Society	St. Vincent's Day Centre	Day Services for People with Dementia	£305,857	£305,857	Nil	£407,809	LBHF only
Alzheimer's Society	Dementia Adviser	Info Advice and casework support for people with Dementia and Carers	£34,500	Nil	£34,500	£46,000	Section 75 Agreement
Housing and Care 21	Activity Plus	Community Based Outreach Service	£140,000	£140,000	Nil	£186,667	LBHF only
Total			£480,357			£640,476	

2.3. That all contracts referenced in table 1 above include a break clause, which would allow the Council to terminate the agreement with 3 months' written notice, be agreed.

3. REASON FOR DECISION

3.1 The recommendations are sought to ensure continuity of services to support people with Dementia and their carers / families and ensure the Council is complying with its obligations under the Care Act 2014 whilst a strategic review of Dementia day services, led by Joint Commissioning across the London Borough of Hammersmith and Fulham (LBHF), the Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC) is concluded.

3.2 Under the Care Act 2014 local authorities have a statutory duty to provide a diverse range of services that prevent, delay or reduce care needs. These services are key to ensuring that people are supported to live well in the community, preventing the need to access more costly

services. It is envisaged that future demand and activity will increase during the extension period in light of the increase in diagnosis rates in H&F. These services will enable LBHF and HFCCG to support people with Dementia and their carers to live well in the community in line with NHS England's 'Well Pathway' Framework.

- 3.3 If contracts are not awarded this would create a gap in service provision and leave people with Dementia and their carers in Hammersmith and Fulham without the necessary support they require. In addition, without these services in place, the Local Authority would be unable to comply with its obligations as set out in the Care Act 2014.
- 3.4 The award of contract to Housing and Care 21 will also ensure that the Council becomes contract compliant during any period of novation to another provider.
- 3.5 Depending on the outcome of the due diligence process that Officers are undertaking on Ark Home Healthcare Limited a recommendation will either be made to support the novation or consider other options such as a contract variation or direct award to an existing suitable provider.
- 3.6 The strategic three-borough Dementia review has proved complex and has impacted on the original timeline to have a new service model in place in October 2016 resulting in this request for a waiver of the Council's procurement regulations CSO 3.1 to directly award contracts to the services referenced in paragraph 1.1.
- 3.7 Background information on the strategic Dementia review and future procurement including the LBHF services that are within scope are set out in Appendix A.
- 3.8 LBHF and HFCCG have set out in their strategic plans, their commitment to improving the quality of services for people with Dementia and their carers. The proposed contracts will allow commissioners to assess the landscape of Dementia support services which will inform future commissioning and procurement intentions.
- 3.9 Negotiations with the service providers, to identify savings, in return for the award of these contracts have commenced. It should be noted that;
 - Housing and Care 21 as part of the 2015 direct award agreement offered to freeze the costs set out in Table 1 above for the duration of the contract term
 - Alzheimer's Society as part of the 2015 direct award agreement offered a saving of 4.3% of the annual contract value equating to £13,743 per annum across the contract.

- 3.10 Both providers have a long track record of delivering quality specialist Dementia services in Hammersmith and Fulham. The services are working well although the day service at St Vincent's currently has vacancies which are being addressed with the provider. The service is achieving good outcomes for those who attend with no cause for concern, and supports the Council's and HFCCG strategy of enabling people to remain living in their own homes whilst supporting family and carers in their caring role.
- 3.11 The market for providers of Dementia day services is relatively small. Housing and Care 21 also provide similar Dementia outreach services in one of the Council's partner boroughs. Given their decision to withdraw from this sector of the market and novate contracts to an alternative provider market capacity seems likely to be reduced even further.

4. INTRODUCTION AND BACKGROUND

- 4.1 Building based day service provision at St Vincent's to people with Dementia is currently provided by a longstanding national organisation, the Alzheimer's Society. The service provides a range of care, personalised support, activities, and information and advice. Currently 61 customers are registered with the day service, the majority (70%) with moderate needs, 1 is aged under 65, 11 between the ages of 65 - 74, 26 between the ages of 75 and 84 and 23 aged 85 and over. A range of support is also offered to carers and families. The service is located centrally on Queen Caroline Street and currently shares premises with St. Vincent's House Nursing Home and Hammersmith and Fulham Cognitive Impairment Service (diagnostic service) provided by West London Mental Health Trust (WLMHT).
- 4.2 A Dementia Adviser was introduced in 2015 and this post provides information, advice and signposting to other services as well as support to people with Dementia their carers to live well with the condition. 131 people (56% carers and 44% people with Dementia) are currently supported by the adviser. The post holder works in partnership with the co-located cognitive impairment service to pick up referrals of those newly diagnosed. They also support the Dementia Café which operates monthly on a Saturday.
- 4.3 Housing and Care 21 provides community based outreach to people with Dementia including sheltered housing residents and people with young age onset Dementia. The aim of the Activity Plus service, delivered from Olive House at Imperial Wharf, is to support people to access activities of their choice, which enables them to be meaningfully occupied and provided with stimulation. The service offers time limited intervention and currently supports 47 service users. The service also enables carers to have a break.
- 4.4 The Council directly awarded contracts to both providers for St Vincent's Day Centre and Activity Plus in 2015 and HFCCG agreed

funding via the Section 75 agreement for a Dementia Adviser post. Officers are of the understanding that arrangements have not been formally governed by any contractual documentation. The award of contracts will ensure that the Council becomes contract compliant.

5. PROPOSALS AND ISSUES

- 5.1 The proposal is to directly award three contracts to the incumbent service providers to ensure contract compliancy and continuity of service whilst a strategic review of Dementia day service provision is concluded and a tender process for a remodelled service carried out, including any necessary staff/public consultations.
- 5.2 The proposed strategic review and procurement timetable for Dementia day service provision is set out in the table below. Officers are exploring options to streamline the governance and retender timeline within the shortest possible timescales to implement a new model within 2017 where possible.

Task	Target Completion
Internal stakeholder engagement	9 th November 2016
Soft market testing engagement event	23 rd November 2016
Service User and Carer engagement/focus groups	28 th November - 9 th December 2016
Conclude strategic review and soft market testing	December 2016
Commissioning and procurement strategy recommendations approved/authority to tender	March 2017
Staff/Public Consultation	March - April 2017
Prepare tender	March - April 2017
Issue tender	May 2017
Receive final submissions (tender closes)	July 2017
Evaluate tenders	August - September 2017
Contract award approved	October – December 2017
Implementation Period including 30 day TUPE consultation period	January – March 2018
Contract start date	April 2018

- 5.3 If contracts are not awarded this would create a gap in service provision and leave people living with Dementia and their carers in LBHF without the necessary support they require to live well and as independently as possible in the community. In addition, without these services in place, the Local Authority would be unable to comply with its obligations as set out in the Care Act 2014.
- 5.4 It is noted that the contracts with Alzheimer's Society for St Vincent's Day Centre and Housing and Care 21 for Activity Plus will expire on the

30 November 2016 with no provision to extend for a further period. Officers are of the understanding that arrangements for the Dementia Adviser post have not been formally governed by any contractual documentation. The reasons for proposing the direct award of contracts are set out in the body of the report.

- 5.5 It cannot be said with certainty that there is no risk of challenge, however it is unlikely that there is any cross-border interest in these contracts as services of this type tend to be delivered by local providers.
- 5.6 In mitigation, it is noted that the direct awards are to permit continuity of services whilst a strategic review of Dementia day services is concluded. During the proposed extension period, market consultation and testing to inform a competitive tender will be conducted, with new contracts expected to be in place during 2017/18.
- 5.7 It is essential that the necessary contract documentation is completed in the event that the recommendations are accepted so that the Council is fully protected.

6. CONSULTATION

- 6.1 The current service providers have been consulted and have been advised of the proposed continuation of service.
- 6.2 Housing and Care 21 have confirmed they would be willing to enter into a contract with the Council for the period 1st December 2016 to 31st March 2018 subject to a Cabinet decision being taken.

7. EQUALITY IMPLICATIONS

- 7.1 The proposal to directly award contracts for day services for people with Dementia will on the whole have a positive impact. It is not anticipated that the services received by people with Dementia and their carers will vary significantly from what is currently offered by awarding these contracts. Eligibility for access to these services is not affected under this process. Future arrangements will continue on the take up of the service by diverse communities through monitoring and in relation to local population data analysis.
- 7.2 Any future proof remodelled service will offer support and be inclusive to the needs of the local diverse population including Black and Minority Ethnic (BME) groups and those who are socially isolated and do not currently access services.

8. LEGAL IMPLICATIONS

- 8.1 This report is seeking approval of the Cabinet Member for the direct award of three (3) contracts for the provision of Dementia Day services

within Hammersmith & Fulham and the legal comments for each contract are supplied below:

Alzheimer's Society (St. Vincent's Day Centre)

- 8.2 The value of the proposed direct award for 16 months (£407,809) which is below the Social Care procurements threshold under the Light Touch Regime (LTR) of the Public Contracts Regulations, 2015 ("the Regulations"). The effect of this is that a regulated procedure is not required to procure these services.
- 8.3 Although this qualifies as below-threshold procurement, since a direct award is being sought, there will be no advertisement of the opportunity, and a waiver of the Council's Standing Orders (CSOs) would be required.
- 8.4 Paragraph 3.1 of the CSOs state the grounds on which waivers will be granted as follows:
- the nature of the market for the works to be carried out, or the goods to be purchased, or the services to be provided has been investigated and is demonstrated to be such that a departure from these CSOs is justifiable; or
 - the contract is for works, goods or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or
 - the circumstances of the proposed contract are covered by legislative exemptions; or
 - it is in the Council's overall interest; or
 - there are other circumstances which are genuinely exceptional.
- 8.5 From the report, the Council has a statutory duty to provide these services under the Care Act 2014 ("the Act") and to do otherwise would be a breach of the Act. Secondly, if no provision is put in place for the proposed term, there would be no other provision available to the service users who are vulnerable people. It would therefore be in the Council's overall interest to waive the requirement to run a procurement exercise for the services so as not to breach the Care Act.
- 8.6 By granting this waiver and approving the direct award, the Council risks the possibility of a challenge of the award especially because of the contract value. This risk would be mitigated if, as proposed, a regulated procurement is commenced before the end of the term of this proposed contract as that is the remedy which a prospective challenger would be entitled to.

Dementia Adviser

- 8.7 The value of this contract over the proposed period will be £46,000, which is well below the LTR threshold set by the Regulations for such contracts.
- 8.8 There is normally a requirement to have regard to possible cross-border interests in determining whether or not to advertise such contracts. However, due to the nature and value of this particular contract, the probability of cross-border interest in the contract is highly unlikely.
- 8.9 The risk to the Council if the direct award is granted is therefore likely to be minimal.

Housing and Care 21 (Activity Plus)

- 8.10 Whereas the antecedents of this contract are similar to that of the St. Vincent's provision because it was also the subject of a previous direct award in June 2015, the value of the proposed contract is much lower at £186,667.
- 8.11 The comments in paragraphs 8.3 – 8.5 above would apply to this contract.
- 8.12 If the waiver is granted and a direct award approved, there is a minimal level of risk to the Council owing to the value of the contract and the fact that the likelihood of there being cross-border interest in the contract is very slim.
- 8.13 The Provider has notified the Council of its intention to withdraw from the provision of these services and novate its existing contracts to another Provider. In such circumstances, the contract ought to be re-procured, so as not to breach the Regulations. The risk of challenge of the novation would be mitigated if the Council's plans to commence a formal procurement exercise are followed. This is also because the remedy a likely challenger would be entitled to would be the chance to participate in the tender.
- 8.14 In conclusion, if the waiver is granted and the contracts awarded as proposed, the contractual documentation for the newly awarded contracts as well as the 2015-2016 extensions should be drafted for execution by the parties.
- 8.15 Legal implications verified by Tolu Akinosun, Senior Solicitor (Contracts). Tel: 020 8753 2136

9. FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1 Budgetary allocation figures relating to these contracts are set out in the tables below.
- 9.2 The proposal to award two direct contracts for the provision of Dementia Day services to the Alzheimer's Society and Housing and Care 21 will cost £305,857 and £140,000 respectively per annum with effect from 1 December 2016 and £407,809 and £186,667 respectively over the lifetime of the new contract to 31st March 2018. These costs can be met from the existing Community Commissioning general fund revenue budget.
- 9.3 The proposal to award a contract to the Alzheimer's Society to fund a Dementia worker will cost £34,500 per annum and £46,000 over the 16 month lifetime of the new contract to 31st March 2018. Please note this funding is from Hammersmith and Fulham Clinical Commissioning Group (HFCCG) via a Section 75 Agreement. Continued funding of this post beyond the 31st of March 2017 is dependent on a similar S75 agreement at the same level of £34,500 being agreed with HFCCG. At this current point in time the 2017/18 Section 75 agreements have not been finalised. Should HFCCG decide to cease funding £34,500 for the dementia post Adult Social Care will not become liable for this amount and notice will be served on the contract.
- 9.4 Officers have commenced discussions with the service provider to identify savings in return for the award of these contracts.
- 9.5 Financial implications verified by Cheryl Anglin Thompson – Principal Accountant ASC, Financial Planning & Integration Team cheryl.anglin-thompson@lbhf.gov.uk - 020 8753 4022.

10. RISK MANAGEMENT

- 10.1 This report recommends the direct award of three contracts as set out in section 2 for 16 months from 1 December 2016 to 31 March 2018.
- 10.2 If the contracts are not directly awarded there will be a no provision of preventative day services for people with Dementia and risk number 8, compliance with laws and regulations as noted on the three boroughs corporate risk register, putting resident's health and wellbeing at risk. The likelihood of the Council meeting a range of local authority and health authority strategic objectives (see section 3 of this report) would also be significantly reduced.
- 10.3 Risk of challenge to the extension, relating to risk number 4 market testing on the three boroughs corporate risk register has been considered and endorsed by legal services.

- 10.4 Negotiations to achieve continued value for money, efficiencies and improved quality from the incumbent providers have commenced. Further efficiencies will be sought during the joint re-procurement of OP and Dementia services in 2017. The risk of directly awarding contracts for service that may not meet the needs of residents, or strategic objectives of the local authority and health authority over the next 16 months has therefore been mitigated in accordance with maintaining service continuity, risk number 6 on the risk register. Procurement risk management remains the responsibility of the procuring department who manage risk within a departmentally agreed framework.
- 10.5 Risk implications verified by Michael Sloniowski, Risk Manager, telephone 020 8753 2587.

11. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 11.1 Matters affecting procurement are incorporated throughout the main body of the report. Ensuring that services are governed by appropriate contractual arrangements is critical to reducing compliance risk. As such the recommendation to award contracts to the two incumbent service providers is preferential to the current arrangements.
- 11.2 Ensuring that services are governed by appropriate contractual arrangements is critical to reducing compliance risk. As such the recommendation to award contracts to the incumbent service provider is preferential to the current arrangements.
- 11.3 The recommended contract terms of up to 16 months will allow officers a suitable and sufficient length of time to conclude the strategic review of services and conduct a competitive tender process.
- 11.4 H&F Contract Standing Orders (CSO) 12.3 provide:
- i) That for contracts with a value from £25,000 to £99,999 a minimum of three written quotations or tenders should be obtained; and
 - ii) That for contracts with a value of £172,514 or more a minimum of five tenders should be obtained.
- 11.5 The proposals contained in this report are for direct awards of £46,000, £186,667 and £407,809. A waiver for the Contract Standing Orders is therefore required.
- 11.6 CSO 3.1 provides for a waiver of the CSO's to be agreed by the Appropriate Persons if they are satisfied a waiver is in the Council's overall interests.
- 11.7 CSO 3.1 defines Appropriate Persons to agree waivers with an estimated contract value of £100,000 or more as the appropriate Cabinet Member and the Leader of the Council.

11.8 CSO 3.2 states that all waivers with an estimated value of £25,000 and more, and the reasons for them, must be detailed in a report either to the appropriate Cabinet Member or the Cabinet.

11.9 None of the three contracts proposed for direct award has a value above the current threshold of £589,145 for social and other specific services and therefore do not need to be advertised and are not subject to the full extent of EU procurement rules. The requirement to conduct procurements in a transparent, fair and proportionate manner remains and the proposal to make three direct awards of contracts is in part mitigated by the proposed contracts having a duration of only 16 months to allow for a full appraisal of future service design and contracting models to inform a full and open procurement exercise.

11.10 Procurement implications verified by Tim Lothian, Procurement officer 020 8753 5377

12. SOCIAL VALUE

12.1 Social Value is intrinsic to the delivery of Dementia services as they seek to reduce social isolation; maximise individual and community assets; promote choice and control and offer support to families and communities who care for someone with Dementia.

12.2 The award of these contracts will also offer continued support and stability to local third sector providers who offer much valued services to the local community.

13. PRIVACY IMPACT ASSESSMENT

13.1 A full PIA will be undertaken prior to the joint procurement of OP and Dementia services as there may be new providers which need to hold or share information about individuals.

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		

Director name: Liz Bruce
Director title: Executive Director of Adult Social Care

Contact officer(s):

Lisa Cavanagh, Dementia Review Lead, Joint Commissioning Older People and Vulnerable Adults Team, Tel 020 7641 2631 email: lcavanagh1@westminster.gov.uk

Appendix A - Dementia Strategic Review

Appendix B - Proposed Dementia Hub and Spoke Model

Appendix C – Proposed Savings

Appendix A: Strategic Dementia Review - Background Information

The estimated prevalence of Dementia in the London Borough of Hammersmith and Fulham (LBHF) is 1200 people aged 65+ with a projected increase of 50% by 2030. These figures do not take into consideration improvements in lifestyle across the local population as a result of healthier living programmes and any subsequent positive impact on Dementia prevalence.

Given the expected increase in the number of people with Dementia coupled with earlier and increased diagnosis rates, (80.1% in Hammersmith and Fulham Clinical Commissioning Group (HFCCG), personalised sustainable support is required to meet the growing future demand. This includes services and communities supporting people with younger onset Dementia and the needs of people with Learning Disabilities who are five times more likely to develop Dementia compared to the general population.

The Dementia review and subsequent procurement strategy aims to ensure that any future service model is fit for purpose, cost effective, meets the anticipated projected increase in demand for services and offers a range of flexible personalised services to people with Dementia with varying levels of need across the care pathway.

In the future Services will need to be delivered in a co-ordinated and integrated way, rather than in silo, to enable people with Dementia and their carers to have better access to seamless services that enable them to live well with Dementia in the community.

The London Borough of Hammersmith and Fulham (LBHF) services that are within scope of the review are set out in Table 1 as follows

Service Type	Provider	Service Description	HFCCG funding £'s	LA funding £'s	Annual Contract Value £'s	Funding Mechanism
St Vincent's day centre	The Alzheimer's Society	Building based day services for people with dementia	Nil	305,857	305,857	LA only
Outreach service/Activity Plus	Housing and Care 21	Community based specialist dementia personal care and outreach service	Nil	140,000	140,000	LA only
Dementia Adviser	The Alzheimer's	Provides information, advice	34,500	Nil	34,500	Section 75

Appendix A: Strategic Dementia Review - Background Information

	Society	signposting and support				Agreement
Singing for the Brain	The Alzheimer's Society	Singing project in community	6,700	Nil	6,700	HFCCG only
Music For Life	Wigmore Hall	Music project in care homes	9,500	Nil	9,500	HFCCG only
Resonate Arts	Westminster Arts	Arts projects in care homes and community	10,000 -	Nil	10,000	HFCCG only
Total			60,700	445,857	506,557	

The Cabinet Member for Adult Social Care is asked to note that the proposal at this stage of the review is to introduce a Dementia hub and spoke service model as set out in Appendix B by developing a joint Procurement Strategy followed by a single procurement exercise for both Older People (OP) and Dementia Day services.

The review has considered the following options for Dementia services:

- Option 1 - Business as usual. The 'do nothing' approach is not recommended.
- Option 2 - Close specialist building based Dementia day services. This is not recommended.

Appendix A: Strategic Dementia Review - Background Information

- Option 3 - Reduce the number of commissioned services meaning service users and carers have direct payments. This is not recommended at this stage although any future model will need to work towards increasing the uptake of direct payments to afford people opportunities to access personalised support to meet their health and well-being outcomes.
- Option 4 – Introduce a remodelled Dementia hub and spoke (preferred model)

The preferred model at this stage is option 4, which is to remodel existing services and introduce a Dementia hub and spoke type model to meet the health and well-being outcomes of people with Dementia and their carers to support them to live well across the borough.

The principles of the model are to have a single point of access for OP and Dementia community services. Those with low level needs will receive information, advice and signposting services to enable people to live well in the community with Dementia and their carers to be supported. Support will include access to universal services i.e. libraries, leisure centres, cafes as well as primary, secondary and tertiary preventative services, Public Health commissioned services, vocational and education provision.

It is proposed that the Dementia hub will operate from the current Dementia day service premises and offer personalised sessional based day care support for people with high needs including people in receipt of direct payments from other boroughs.

The 'spoke' aspect of the service model offer will include flexible community based outreach for those with moderate needs i.e. peer led support sessions, Dementia cafes, befriending etc. operating from existing community assets and mainstream services.

Services will focus on personalisation offering service users choice and control including person centred care planning and support to access and use a direct payment. Officers are considering options such as Individual Service Funds (ISFs) and managed funds as part of the commissioning and procurement strategy.

Flexible and accessible transport options will be incorporated into the remodelled service.

The Council and its CCG partners propose to commission services that are; personalised, integrated, localised and centralised and achieve the mandate to streamline contractual arrangements.

A Strategic Lead Provider approach with a number contracting options including a framework agreement across some or all three boroughs is being considered to include sub contract arrangements with other local organisations to deliver against an outcome based service specification.

Appendix A: Strategic Dementia Review - Background Information

The advantages to this are:

- To deliver better integrated, co-ordinated and streamlined services to customers and their carers to meet health and well-being outcomes
- It achieves the commissioning mandate to reduce the number of contracts, simplifying contract monitoring and management arrangements,
- It has the potential to achieve maximum level back office efficiencies,
- It includes smaller local third sector organisation that have a demonstrable track record of delivering Dementia services.

The disadvantages are:

- It may exclude smaller and medium sized organisations who do not have the capacity and resources required to compete with larger organisations. However, mitigation will include working with the three Voluntary Community Service (VCS) leads to build capacity across the sector to respond to a joint tender exercise.

This approach is to maximise efficiencies for LBHF and other Local Authority and CCG partners. The remodelled service is expected to meet the anticipated future demand for services and aims to achieve a proposed savings target of 10% as set out in Appendix C which will need to be tested with the market.

A minimum three-year contract with a strategic provider for OP and Dementia services with efficiencies is being considered with the option to extend for up to a further two years. A common outcome focussed specification co-designed by people living with Dementia and their carers across the three boroughs is proposed as recommended in the Dementia JSNA 2015 and approved by the Health and Well-Being Boards.

Officers are testing the capacity and capability of the market to deliver the proposed model including exploring interest from social enterprise and public social mutual schemes.

A key strategic objective of Adult Social Care (ASC) is the contractual alignment of similar services to facilitate joint re-procurement with neighbouring Boroughs. A joint procurement of OP and Dementia day and community services in 2017/18 will enable the Council and HFCCG to achieve optimum value for money and maintain high quality of services.

Appendix A: Strategic Dementia Review - Background Information

Officers are exploring options to achieve the CCGs ambition to proceed with a re-tender for Dementia services to introduce a new Dementia service model and release savings in 2017 where possible. Options being considered are streamlining the governance and re-tender timeline within the shortest possible timescales. This will be subject to sufficient resources being available to undertake the procurement, flexibility with individual Council and CCG governance requirements as well as compliance with EU and local procurement regulations.

A Dementia project group has been established to oversee the review work and its delivery. This group reports into the local Joint Health and Social Care Dementia Implementation Group which includes representatives from ASC and CCGs including clinical leads. The group also reports into the wider three borough Joint Health and Social Care Dementia Programme Board which is accountable to the Joint Executive Team and Health and Well-Being Boards.

To date the review across the three boroughs has undertaken

- Service Mapping
- Service activity/data analysis
- Local demographic data analysis
- High level financial analysis
- Local and National Context
- Internal and External Stakeholder engagement events
- Customer and carer focus groups
- Cabinet Member, CCG Mental Health and Clinical Lead briefing

The next steps of the review are to carry out:

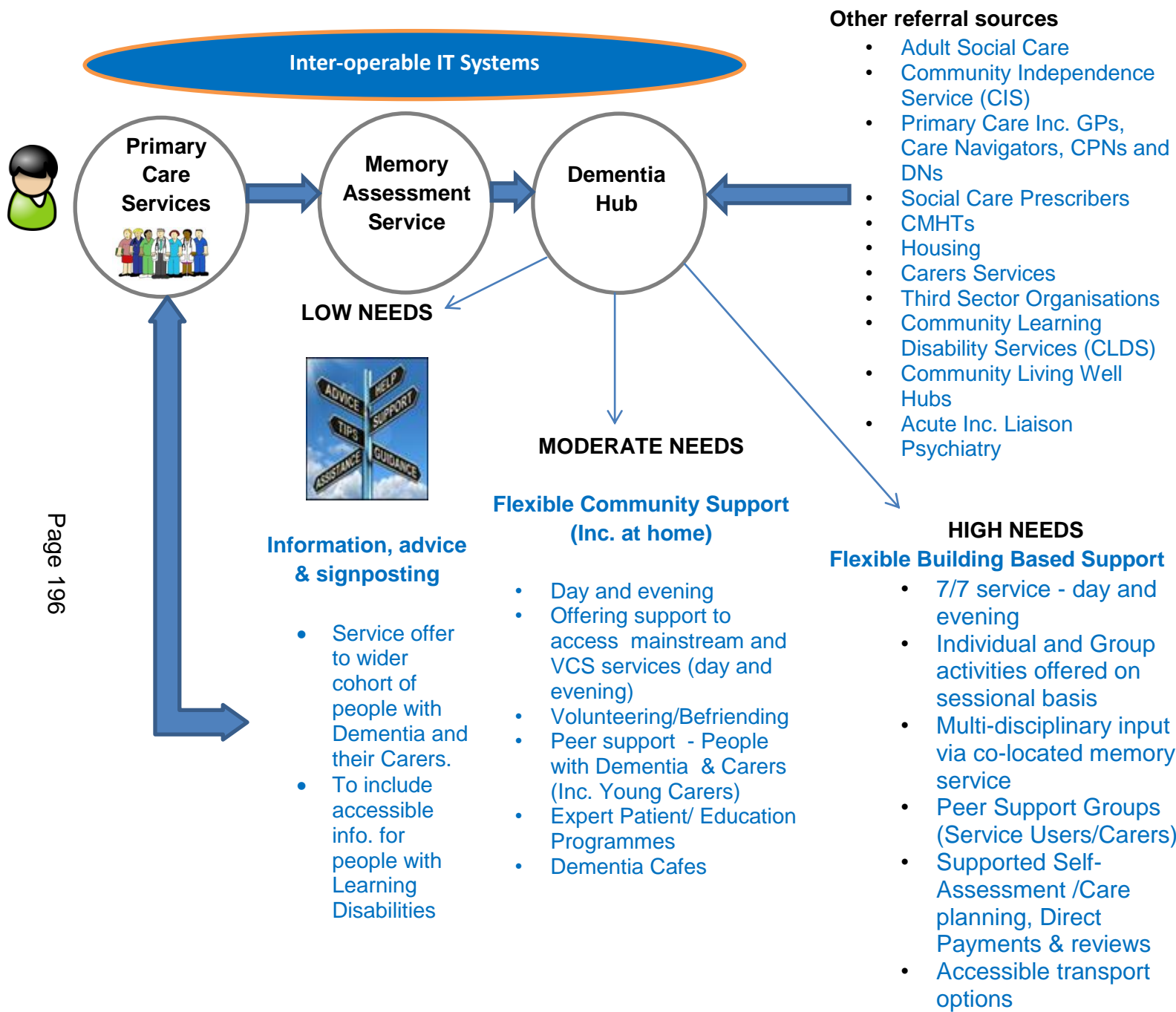
- An internal and external soft market testing event on the 9th and 23rd November. These sessions will allow for feedback on the proposed Dementia service model and to test the markets capability and capacity to deliver,
- Benchmarking with other Inner London Boroughs,

Appendix A: Strategic Dementia Review - Background Information

- Demand/Capacity and Financial Modelling,
- Develop a joint OP/Dementia category plan and procurement strategy.

Customer and Carer focus groups will be held between the period 28th November to 9th December 2016 to include co-design of an outcome focussed service specification. The specification will build on the North West London (NWL) 'Like Minded' strategic review in 2015 and the co-produced framework specification.

Appendix B Proposed Dementia Hub and Spoke Model



Appendix C Proposed savings target – remodelled service

Borough	Current annual contract amount (LBHF/HFCCG) £'s	Total contract amount (based on a new 3 year contract) £'s	Proposed 10% saving target (contract lifetime) £'s	Savings split based on proposed 10% over lifetime of the contract £'s	
LBHF	506,557	1,519,671	151,967	LA	CCG
				88%	12%
				133,731	18,236

The above figures are based on all services within scope of the review as shown in Appendix A

Agenda Item 18

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>16 JANUARY 2017</p>	
<p>APPROVAL TO MAKE AN AWARD OF 2 CONTRACTS FOR PROVISION OF PARKING ENFORCEMENT AGENT (BAILIFF) SERVICES</p>	
<p>Report of the Cabinet Member for Environment, Transport and and Residents Services: Councillor Wesley Harcourt</p>	
<p>Open Report</p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Other services consulted:</p> <ul style="list-style-type: none">➤ Legal Service➤ Procurement Services➤ TTS Departmental Finance	
<p>Wards Affected: All</p>	
<p>Accountable Director: Mahmood Siddiqi - (Director for Transport and Highways)</p>	
<p>Report Author: Mai Kebbay (Head of Parking Finance)</p>	<p>Contact Details: Tel: 020 753 4262 E-mail: mai.kebbay@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the recommendation of the Tender Appraisal Panel (TAP) to award the contract for Parking Enforcement Agent (Bailiff) services for the recovery of Penalty Charge Notice (PCN) debts to Marston Group Limited as the primary provider (Lot1) and Equita Limited as the reserve provider (Lot 2).

- 1.2 At the Cabinet Member Board on in March 2016, it was decided to undertake a joint tendering exercise with the Royal Borough of Kensington and Chelsea (RBKC) to procure a shared Parking Enforcement Agent Service Contractor to recover outstanding Penalty Charge Notice (PCN) debts.
- 1.3 This report seeks approval to award contracts for the service providers to provide Parking Enforcement Agent Services. It recommends the appointment of two service providers – a primary and a reserve provider - for a period of 5 years commencing from 1 January 2017.

2. RECOMMENDATIONS

- 2.1 To award 2 Contracts for provision of Parking Enforcement Agent Services.
- 2.2 To award the Contracts for provision of Parking Enforcement Agent Services to Marston Group Limited as primary provider and Equita Limited as the reserve provider, commencing on 1 January 2017 for a term of 5 years.
- 2.3 That it be noted that this is a concessions contract which is subject to the Concession Contracts Regulations 2016 and that being a concessions contract where there are statutory recovery fees the award criteria to be used shall be primarily quality based.

3. REASONS FOR DECISION

- 3.1 The current Parking Enforcement Agent Services Contracts in both RBKC and LBHF will expire in December 2016. We are therefore required to renew them in accordance with the Councils' Contract Regulations.

4. PROPOSAL AND ISSUES

- 4.1 The Council currently contracts Marston Group Limited as sole provider of the Parking Enforcement Agent service executing warrants in relation to PCN debt in LBHF.
- 4.2 Soft market testing revealed that, generally, other Local Authorities have two contractors for PCN debt recovery in order to manage peaks in workload and to address performance issues. This is the model now proposed for LBHF with a primary enforcement agent and a reserve. The contract would be let with no guarantee of receiving warrants for debt recovery for either contractor. Officers will start by giving all the initial work to the highest scoring tenderer, who will be monitored on performance using the stated key performance indicators (KPIs). The second provider will then take on the work that the first provider is unable to recover within specific periods of time depending on the circumstances under the same contract specification.
- 4.3 The tender was let jointly with RBKC. The estimated combined nominal value of the contracts is £2.1million per year. This is split between £1.2 million for

LBHF and £900,000 for RBKC, this being the fee income that the Parking Enforcement Agents will receive per annum.

5. OPTIONS AND ANALYSIS OF OPTIONS

Regulated procurement approach

- 5.1 The procurement exercise was conducted using the open procedure in accordance with the requirements of the Public Contracts Regulations 2015. A statutory contract notice was placed with the *Official Journal of the European Union* (OJEU) and the opportunity was advertised on the Capital eSourcing Portal.
- 5.2 The Contract Notice was published on 28 June 2016 in the *Official Journal of the European Union* (OJEU). On 30 June 2016, the Contract Terms, ITT and PQQ were published on *capitalE sourcing*.
- 5.3 Tenderers were given the opportunity to submit questions for clarification before the closing date for receipt of tenders on 8 September 2016.

Provider Selection and Award Proposal

- 5.4 Bids were received from five providers:
 - Company A
 - Company B
 - Company C
 - Company D
 - Company E
- 5.5 The identities of the anonymised companies above are displayed in the exempt part of this report.
- 5.6 Marston Group Limited currently provides the Parking Enforcement Agent services on behalf of the LBHF.
- 5.9 The Contract specifies that the contract will be let on the condition of no guarantee of receiving warrants for debt recovery. The Councils aim to start by giving all the initial work to the highest scoring tenderer, who will be monitored on performance using KPIs. A schedule of the KPIs is included in Appendix A.
- 5.10 Should the first provider default on any of the specified KPIs, officers will reallocate the work to the reserve provider.
- 5.11 Each of the five bidders that submitted tenders met the criteria in the pre-qualification questionnaire. The criteria focused around a bidder's experience of delivering similar services to large authorities. The five bidders also all met the financial checks that the Councils' use to establish a provider's suitability.

5.12 The tender appraisal scoring system was wholly weighted upon quality as agreed with the Cabinet Member in March 2016. Of the 100% awarded to quality, this was distributed as follows:

- Risk-Disaster Recovery Plan – 9%
- Development of Service for the future – 5%
- Quality of Procedures for Service – 20%
- Security 14%
- Resourcing; Qualifications and Experience of Staff Assigned to Contract 5%
- Customer Experience 9%
- Support Infrastructure 8%
- Partnership Working 15%
- Reputation Management including policy for supporting those who are vulnerable or in financial hardship 15%

5.13 Marston Group Limited was the highest scoring Tenderer and Equita Limited the second.

5.14 Comments from Strategic Procurement, Finance and Legal Services have been taken into account. The officers who undertook the quality evaluation met at Moderation Meetings where they agreed a consensus score for each answer. An officer from the Procurement Team (PT) acted as an observer at the Moderation Meetings.

5.15 In addition to the core requirement of Parking Enforcement Agents to recover outstanding PCN debts, the bidders were invited to offer responses to the following optional items:

- Returned Notice to Owner Mails
- Pre-Debt Registration Trace & Collect Service
- Expired Warrant Collection (10% commission)
- Scottish Debt Collection
- Foreign Debt Collection
- Targeting Persistent Evaders
- Legal Team Support

Officers recommend that the above options are taken up by the Council.

6. BENEFITS OF THE RECOMMENDED SUPPLIER

6.1 The key benefits of Marston Group Limited's offer are;

- I. The Councils will work with a service provider that will provide a parking enforcement agent service at the most effective, efficient and economic value.
- II. The service provider is familiar with the Council having operated in LBHF since 2008.

- III. They are well supported in various corporate functions including; vehicle fleet, human resources, learning and development, information technology, finance, professional standards, the regulatory framework, property, public relations and marketing.
- IV. They have comprehensive policies, procedures and audit processes which will ensure compliance with the Councils' requirements and continue to protect the Council's reputations whilst delivering customer excellence.
- V. They will manage performance to meet the Council's KPIs and report using comprehensive daily, weekly and monthly returns allowing the Council and MGL management to respond quickly to trends.
- VI. They will provide a high quality service that is rigorously measured, managed and continuously improved by a range of self-monitoring quality management tools.

Implementation timetable

- 6.2 The new Contract will commence on 1 January 2017. The need to implement as quickly as possible will be balanced with the need to mitigate risks and ensure minimal disruption to services in both boroughs.
- 6.3 In addition to regular meetings between officers and Marston Group Limited and Equita Limited's management, the Contract has built-in break / review points in years two and three. This provides strategic milestones for the Councils and Contractors to assess performance and look for mutually beneficial ways to improve the value for money and quality of service being received, taking into account developments in the parking industry or the Councils' circumstances.

7. CONSULTATION

- 7.1 This report has been developed in consultation with the following groups:
 - Transport and Technical Services Departmental Management Team
 - Shared Parking Services Officers
 - Legal Service
 - Procurement Services

8. EQUALITY IMPLICATIONS

- 8.1 There are no equality implications as a result of the recommendations in this report. Both successful tenderers provided strong policy statements to show how they would support those who are vulnerable or in financial hardship

9. LEGAL IMPLICATIONS

- 9.1 It is understood that the proposed contracts have been carried out in accordance with the Concession Contracts Regulations 2016 (Regulations). The Council is required to comply with the standstill requirements set out in the Regulations before the contracts are formally awarded.
- 9.2 Legal implications provided by Kar-Yee Chan, Solicitor, Legal Shared Services tel; 020 8753 2772.

10. FINANCIAL IMPLICATIONS

- 10.1 The proposed contracts and the current provision are on a concession basis, where a fee is added to the recoverable debt by the Enforcement Agency. There are therefore no cost implications to the council.
- 10.2 The selection of a main provider and a backup provider, based on the criteria described in this report, along with the improvements in delivery could result in an improved recovery of PCN debt.
- 10.3 Comments provided by Gary Hannaway, Head of Finance, TTS – 020 8753 6071

11. IMPLICATIONS FOR BUSINESS

- 11.1 There are no implications for businesses resulting from the recommendations in this report.

12. PROCUREMENT IMPLICATIONS

- 12.1 The report notes that this is a concessions contract, rather than a services contract to which the Public Contracts Regulations 2015 (as amended) would apply. The procurement of Parking Enforcement Services has been managed in accordance statutory provisions and Hammersmith and Fulham's Contracts Standing Orders of behalf of both councils.
- 12.2 Comments verified by Alan Parry, Interim Head of Procurement (Job-share), Telephone – 020 8753 2581.

13. IT STRATEGY IMPLICATIONS

- 13.1 There are no ICT implications as a result of the recommendations in this report.

14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

14.1 None

15. LIST OF APPENDICES:

15.1 None

NOTICE OF CONSIDERATION OF A KEY DECISION

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

NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE

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

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

KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 16 JANUARY 2017 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. 50 (published 16 December 2016)

KEY DECISIONS LIST - CABINET ON 16 JANUARY 2017

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>
16 January 2017				
Cabinet	16 Jan 2017	<p>Council Tax Base and Collection Rate 2017/18 and Delegation of the Business Rates Estimate</p> <p>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.</p> <p>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</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: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	16 Jan 2017	<p>London Borough of Hammersmith and Fulham's Council Tax Support Scheme 2017/8</p> <p>Full council needs to agree that the council continues to adopt a council tax support scheme as though the previous benefit regulations are still in place.</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: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	16 Jan 2017	<p>Mid-Year Treasury Report 2016/17</p> <p>This report presents the Council's Mid-Year Treasury Report for 2016/17 in accordance with the</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
	Reason: Affects 2 or		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
	more wards	Council's Treasury Management Practices. It is a regulatory requirement for this report to be presented to the Council.	Contact officer: Halfield Jackman Halfield.Jackman@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	16 Jan 2017 Reason: Expenditure more than £100,000	2016/17 Corporate Revenue Monitor for Month 6 & 7 2016/17 Corporate Revenue Monitor for Month 6	Cabinet Member for Finance Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	16 Jan 2017 Reason: Expenditure more than £100,000	Banking Contract Direct Award 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. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Finance Ward(s): All Wards Contact officer: Halfield Jackman Halfield.Jackman@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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	16 Jan 2017 Reason: Income more than £100,000	Enforcement Agent Contract To approve the re-procurement of enforcement agents to assist in the recovery of unpaid Council Tax and Business Rates through the use of a Dynamic Purchasing System set up by the Yorkshire Purchasing Organisation (YPO). To note and approve the cost involved in accessing the YPO's Dynamic Purchasing System is £1500.00	Cabinet Member for Finance Ward(s): All Wards Contact officer: Jamie Mullins Tel: 020 8753 1650 Jamie.Mullins@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	16 Jan 2017 Reason: Expenditure more than £100,000	Recruitment advertising and related Contracts Relet of Recruitment Advertising and associated contracts Relet of Internship Framework contract	Cabinet Member for Finance Ward(s): All Wards Contact officer: Veronique Vermeer Tel: 07747 007300 Veronique.Vermeer@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	16 Jan 2017 Reason: Expenditure more than £100,000	Graduate Placement Framework Relet To approve strategy for relet of Internship Framework by LBHF which will be open to London Boroughs	Cabinet Member for Finance Ward(s): All Wards Contact officer: Veronique Vermeer Tel: 07747 007300 Veronique.Vermeer@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	16 Jan 2017 Reason: Expenditure more than £100,000	Appointment of External Auditors This report outlines the approach for appointing the Council's External Auditors further to the end of the transitional arrangements which have been in place since the closure of the Audit Commission.	Cabinet Member for Finance Ward(s): All Wards Contact officer: Christopher Harris Tel: 020 8753 6440 Harris.Christopher@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

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>)
				papers to be considered.
Cabinet	16 Jan 2017 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</p> <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>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	16 Jan 2017 Reason: Expenditure more than £100,000	<p>Procurement Strategy for Debt Management and Business intelligence Services</p> <p>Approval is sought to begin procurement of a contractor to deliver debt management services to H&F as a Master Servicer and to work with us to exploit our business intelligence services.</p>	<p>Cabinet Member For Commercial Revenue And Resident Satisfaction</p> <p>Ward(s): All Wards</p> <p>Contact officer: Michael Hainge michael.hainge@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	16 Jan 2017 Reason: Expenditure more than £100,000	<p>School Kitchen Repair and Maintenance Contract- Contract Award for the London Borough of Hammersmith and Fulham; the Royal Borough of Kensington and Chelsea and Westminster City Council.</p> <p>The purpose of this report is to seek approval to award the contract for School Kitchen Repair</p>	<p>Cabinet Member for Children and Education</p> <p>Ward(s): All Wards</p> <p>Contact officer: Jody Nason Tel: 07739 314473 Jody.Nason@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

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)
		and Maintenance contract across all three boroughs; The London Borough of Hammersmith and Fulham (LBHF); The Royal Borough of Kensington & Chelsea (RBKC), and Westminster City Council (WCC) to First in Service (FiS).		papers to be considered.
Cabinet	16 Jan 2017 Reason: Expenditure more than £100,000	<p>Commissioning Higher Education Partner for Step-up to Social Work Programme</p> <p>This report seeks approval for the procurement strategy to commission a Higher Education Partner to work with the local authority to deliver “Step Up to Social Work” Programme.</p> <p>Fully funded by central Government via a grant from the Department for Education, this innovative programme seeks to train children’s social workers so that, at the end of the course, they gain a Post-Graduate Diploma with the opportunity to obtain credits towards a Master’s degree in Social Work; the objective being that participating local authorities will be better able to attract and retain well-qualified children’s social workers at a time when this is proving difficult nationally.</p>	<p>Cabinet Member for Children and Education</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Steve Comber Tel: 07739 317 307 Steve.Comber@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	16 Jan 2017 Reason: Expenditure more than £100,000	<p>Strengthening Community Partnerships</p> <p>This report outlines the business case and recommendations for grant funding Hammersmith & Fulham based Community Legal Advice Services.</p>	<p>Cabinet Member for Social Inclusion</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Louise Raisey Tel: 020 8753 2012 Louise.Raisey@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	16 Jan 2017	<p>AGREEMENT FOR THE DIRECT AWARD OF CONTRACTS FOR DAY SERVICES FOR PEOPLE WITH DEMENTIA</p> <p>The Dementia Day and Community Services contracts are due to expire 30th November 2016.</p> <p>A Cabinet decision is required to approve a waiver to the Council's Contract Standing Orders (Under CSO3) of the requirement to seek competitive bids and approve the direct award of three contracts for the provision of Dementia services to the incumbent providers from 1st December 2016 to 31st March 2018.</p> <p>This extension will allow continuity of support to vulnerable people living with dementia and their carers in the borough.</p> <p>The timeline will also allow for; the three borough dementia strategic review to be concluded and a joint Older People and Dementia Day and Community Services Commissioning and Procurement Strategy to be approved for a tender process during 2017.</p>	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	16 Jan 2017	<p>Innovations for Future Delivery of H&F Libraries</p> <p>Update on the Library Transformation programme including</p> <p>i. alternative delivery model</p> <p>ii. Sweating the assets / commercialisation</p> <p>iii. Shared services update</p> <p>iv. commercial quick wins progress</p>	Cabinet Member for Environment, Transport & Residents Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	16 Jan 2017	<p>Contract Award for a shared service Enforcement Agent (Bailiff) Services for the recovery of Penalty Charge Notice (PCN) debts</p>	Cabinet Member for Environment, Transport & Residents Services	A detailed report for this item will be available at least five working days before the date of the meeting and
	Reason: Income more than		Ward(s): All Wards	

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	£100,000	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.	Contact officer: Mai Kebbay Tel: 0208 753 3275/4262 Mai.Kebbay@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
6 February 2017				
Cabinet	6 Feb 2017 Reason: Expenditure more than £100,000	<p>Business Intelligence Infrastructure</p> <p>This document sets out the business case for investment in the Business Intelligence infrastructure in LBHF.</p> <p>The urgency of decision is driven by both the need to have a solution in place as part of the Council's commercial offer so that the Council can maintain its leading position in the market as well as address the organisation's need to have more timely access to data and analysis.</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 Ward(s): All Wards Contact officer: Martin Nottage, Duncan Smith Tel: 020 8753 2368, Tel: 020 8753 2551 martin.nottage@lbhf.gov.uk, duncan.smith@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet Full Council	6 Feb 2017 22 Feb 2017 Reason: Expenditure more than	<p>FOUR YEAR CAPITAL PROGRAMME 2017/18 TO 2020/21</p> <p>This report presents the Council's four-year Capital Programme for the period 2017-21.</p>	Cabinet Member for Finance Ward(s): All Wards	A detailed report for this item will be available at least five working days before the date of the meeting and will include details

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
	£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	of any supporting documentation and / or background papers to be considered.
Cabinet	6 Feb 2017 Reason: Expenditure more than £100,000	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 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	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 Full Council	6 Feb 2017 22 Feb 2017 Reason: Expenditure more than £100,000	REVENUE BUDGET AND COUNCIL TAX LEVELS 2017/18 This report sets the revenue budget and council tax for 2017/18	Leader of the Council Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Feb 2017 Reason: Expenditure more than £100,000	Section 278 - 28 - 36 Glenthorne Road Highway Improvements, which include; footway improvements in Southerton Road junction with Glenthorne Road, footway improvements on both sides of Overstone Road at the junction with Glenthorne Road. Modification of the entry treatment in Overstone Road at the junction with Glenthorne Road, installation of new anti-skid road surfacing on the approach to the existing zebra crossing in Glenthorne Road	Cabinet Member for Environment, Transport & Residents Services Ward(s): Hammersmith Broadway Contact officer: Stephen Daway Stephen.daway@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	6 Feb 2017	<p>Article 4 Directions</p> <p>Three Article 4 Directions are proposed to take away permitted development rights for Basements, Pubs and Office/light industrial to residential. In order to make these directions the legal department require approval by way of a key decision.</p>	Cabinet Member for Environment, Transport & Residents Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	6 Feb 2017	<p>Proposed Establishment of an Integrated Family Support Service</p> <p>This item makes proposals for the ambition to redesign provision across universal to targeted (tiers 1, 2, 3) services as part of a whole system service strategy with specialist services, including Children's Social Care. It represents an integration of practice and workforce across a range of family and health services and budgets across the 0-18 age range (24 if the young person has a learning difficulty or disability) and across the different thresholds of support.</p>	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	6 Feb 2017	<p>Financial Plan for Council Homes: The Housing Revenue Account Financial Strategy, 2017/18 Housing Revenue Account Budget and 2017/18 Rent Reduction</p> <p>This report covers the 2017/18 budget for the Council's homes (also known as the annual Housing Revenue Account (HRA) budget) including a reduction in rents for Council homes of 1% for 2017/18.</p>	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	

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Cabinet	6 Feb 2017	Procurement of water risk assessment (Legionella) Strategy report for the procurement of water risk assessment contract (Legionella)	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	6 Feb 2017	Proposal for an Affordable Housing Delivery Framework The Council is seeking to set up an Affordable Housing Delivery Framework with local Housing Associations.	Cabinet Member for Economic Development and Regeneration, Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	6 Feb 2017	The Establishment Of A Contractual Joint Venture Partnership With Lbhf And Imperial College London The Establishment Of A Contractual Joint Venture Partnership With Lbhf And Imperial College London	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: Budg/pol framework		Ward(s): All Wards	
Cabinet	6 Feb 2017	Award report from Genito-Urinary Medicine The report recommends award to the winning tenderer following procurement process. PART OPEN PART PRIVATE	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or
	Reason: Expenditure more than £100,000		Ward(s): All Wards	

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		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.	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	background papers to be considered.
Cabinet	6 Feb 2017 Reason: Affects 2 or more wards	Treasury Management Strategy 2017/18 The report sets out the Council's Treasury Management Strategy for 2017/18. It seeks approval for the Strategic Finance Director to arrange the Treasury Management Strategy in 2017/18 as set out in this report.	Cabinet Member for Finance Ward(s): All Wards Contact officer: Halfield Jackman Halfield.Jackman@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Feb 2017 Reason:	CORPORATE PLANNED MAINTENANCE PROGRAMME 2017/2018 The purpose of this report is to provide proposals for the delivery and funding of the 2017/2018 Corporate Planned Maintenance Programme (CPMP) for the Council's property portfolio.	Cabinet Member for Finance Ward(s): All Wards Contact officer: Sebastian Mazurczak Tel: 020 8753 1707 Sebastian.Mazurczak@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Feb 2017 Reason: Expenditure more than £100,000	H&F Procurement Strategy For An Independent Complaints Advocacy Service The Independent Health Complaints Advocacy Service is a statutory client centred, flexible service that supports and empowers anyone who wishes to resolve a complaint about	Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Steven Falvey Tel: 020 8753 5032 Steven.Falvey@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

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>)
		healthcare commissioned and/or provided by the NHS in England.		background papers to be considered.
6 March 2017				
Cabinet	6 Mar 2017 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> <hr/> <p>Ward(s): All Wards</p> <hr/> <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	6 Mar 2017 Reason: Income more than £100,000	<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 PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in</p>	<p>Cabinet Member for Finance</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Nigel Brown, Lzhar Haq Tel: 020 8753 2835, Tel: 020 8753 2692 Nigel.Brown@lbhf.gov.uk, izhar.haq@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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		disclosing the information.		
Cabinet	6 Mar 2017 Reason: Expenditure more than £100,000	<p>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</p> <p>Following a procurement exercise over the summer 2016 this decision will be to award the contract to the successful contractor</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): Palace Riverside</p> <hr/> <p>Contact officer: David Mcnamara</p> <p>David.Mcnamara@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Mar 2017 Reason: Expenditure more than £100,000	<p>2016/17 Corporate Revenue Monitor for Month 8</p> <p>2016/17 Corporate Revenue Monitor for Month 8</p>	<p>Cabinet Member for Finance</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	6 Mar 2017	Rough Sleeper/Single Homeless Supported Accommodation Contract Extensions	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000	<p>Commissioning Strategy for seven supported housing contracts for rough sleepers single homeless people with support needs</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>Ward(s): All Wards</p> <p>Contact officer: Julia Copeland Tel: 0208 753 1203 julia.copeland@lbhf.gov.uk</p>	
Cabinet	6 Mar 2017	Procurement of Lift Maintenance Services	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Income more than £100,000	Strategy report for the procurement of lifts maintenance services.	<p>Ward(s): All Wards</p> <p>Contact officer: Paul Monforte Tel: 020 8753 6985 Paul.Monforte@lbhf.gov.uk</p>	
Cabinet	6 Mar 2017	LBHF Older People's Housing Strategy	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards	Report setting out framework and direction of travel for older people's housing.	<p>Ward(s): All Wards</p> <p>Contact officer: Jane Martin Tel: 0208 753 5666 Jane.Martin@lbhf.gov.uk</p>	

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Cabinet	6 Mar 2017 Reason: Expenditure more than £100,000	Confirm On Demand Business Case Moving Confirm From HFBP Hosting to a Hosted Solution by the software vendors Pitney Bowes (PB)	Cabinet Member for Environment, Transport & Residents Services Ward(s): Hammersmith Broadway Contact officer: Eustace Dunkwu Tel: 020 8753 3010 Eustace.Dunkwu@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Mar 2017 Reason: Expenditure more than £100,000	Procurement Strategy for Transport and Highways professional services Report setting out the approach taken to procure technical services in the Transport and Highways division. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Environment, Transport & Residents Services Ward(s): All Wards Contact officer: 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.
Cabinet	6 Mar 2017 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.

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Cabinet	6 Mar 2017	<p>Children's Social Care Case Management System Upgrade</p> <p>To upgrade from the existing case management system to the latest version of the product as part of a programme of improvements to case recording practices.</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 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	
27 March 2017				
Cabinet	27 Mar 2017	<p>2016/17 Corporate Revenue Monitor for Month 9</p> <p>2016/17 Corporate Revenue Monitor for Month 9</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	
Cabinet	27 Mar 2017	<p>HRA Housing Capital Programme 2017/18-2019/20</p> <p>This report provides specific details of the proposed 2017/18 housing capital programme and proposes budget envelopes for the following two years</p>	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background
	Reason: Affects 2 or more wards		Ward(s): All Wards	

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				papers to be considered.