

Cabinet

Agenda

MONDAY
5 MARCH 2018
7.00 pm

COURTYARD ROOM
HAMMERSMITH
TOWN HALL
KING STREET
LONDON W6 9JU

Membership

Councillor Stephen Cowan, Leader of the Council
Councillor Sue Fennimore, Deputy Leader
Councillor Ben Coleman, Cabinet Member for Health and Adult Social Care
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 Sue Macmillan, Cabinet Member for Children and Education
Councillor Max Schmid, Cabinet Member for Finance

Date Issued
23 February 2018

If you require further information relating to this agenda please contact: Katia Richardson, Committee Coordinator, tel: 020 8753 2368 or email: katia.richardson@lbhf.gov.uk

Reports on the open Cabinet agenda are available on the Council's website: www.lbhf.gov.uk/councillors-and-democracy

PUBLIC NOTICE

The Cabinet hereby gives notice of its intention to hold part of this meeting in private to consider items (19 to 25) 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 **4-15** 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 28 February 2018.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 7 March 2018**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Monday 12 March 2018 at 3.00pm**. Decisions not called in by this date will then be deemed approved and may be implemented.

A confirmed decision list will be published after 3:00pm on **Monday 12 March 2018**.

Cabinet Agenda

5 March 2018

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1.	MINUTES OF THE CABINET MEETING HELD ON 5 FEBRUARY 2018	1 - 16
2.	APOLOGIES FOR ABSENCE	
3.	DECLARATION OF INTERESTS	
	<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.</p>	
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17.	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.

18.	EXEMPT MINUTES OF THE CABINET MEETING HELD ON 5 FEBRUARY 2018 (E)	
19.	LEGAL CASE MANAGEMENT SYSTEM: EXEMPT ASPECTS (E)	
20.	PROCUREMENT STRATEGY TO ACCESS THE LGRP FRAMEWORK: EXEMPT ASPECTS (E)	
21.	FAMILYSTORY PHASE 2: EXEMPT ASPECTS (E)	
22.	IT TRANSITION PHASE 4 ASSURING SERVICE CONTINUITY - DESKTOP STRATEGY AND SOLUTION OPTIONS: EXEMPT ASPECTS (E)	

- 23. WEST KING STREET RENEWAL: EXEMPT ASPECTS (E)**
- 24. DOMESTIC ABUSE REFUGES DIRECT CONTRACT AWARD:
EXEMPT ASPECTS (E)**
- 25. YOUNG PEOPLE'S ACCOMMODATION SERVICES DIRECT
CONTRACT AWARD: EXEMPT ASPECTS (E)**

London Borough of Hammersmith & Fulham

Cabinet Minutes



Monday 5 February 2018

PRESENT

Councillor Ben Coleman, Cabinet Member for Health and Adult Social Care
Councillor Stephen Cowan, Leader of the Council
Councillor Sue Fennimore, Deputy Leader
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 Sue Macmillan, Cabinet Member for Children and Education
Councillor Max Schmid, Cabinet Member for Finance

ALSO PRESENT

Councillor Andrew Brown
Councillor Joe Carlebach
Councillor Steve Hamilton

113. MINUTES OF THE CABINET MEETING HELD ON 15 JANUARY 2018

RESOLVED:

That the minutes of the meeting of the Cabinet held on 15 January 2018 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

114. APOLOGIES FOR ABSENCE

There were no apologies for absence.

115. DECLARATION OF INTERESTS

Councillors Lisa Homan and Wesley Harcourt declared a personal interest on Items 9 and 10 as they were both trustees of Hammersmith & Fulham Citizens' Advice. They did not participate on the debate nor vote.

116. DRAFT REVENUE AND COUNCIL TAX LEVELS 2018/19

Councillor Max Schmid stated that he was pleased to announce that this Council would be freezing Council tax for the coming year. This report would be approved by Budget Council later in the month. He noted that other parts of inner London were increasing their Council Tax considerably. He commended Hitesh Jolapara, the Strategic Finance Director, and his team for putting this report together and helping to achieve a lower Council Tax level over the last four years.

RESOLVED:

1. To freeze the Hammersmith & Fulham element of the council tax charge, and not apply the 3% increase modelled by the Government for the coming year.
2. To not apply the “social care precept” levy of 3% as modelled by the Government for the coming year.
3. To set council tax for 2018/19 for each category of dwelling, as calculated in accordance with Sections 31A to 49B of the Localism Act 2011, as outlined below and in full in Appendix A:

(a) *The element of council tax charged for Hammersmith & Fulham Council will be £727.81 per Band D property in 2018/19*

(b) *The element of council tax charged by the Greater London Authority will be £294.22 per Band D property in 2018/19*

(c) *The overall Council Tax to be set at £1,022.03 per Band D property in 2018/19.*

(d) *The Social Care Precept set at nil*

Category of Dwelling	A	B	C	D	E	F	G	H
Ratio	6/9 £	7/9 £	8/9 £	1 £	11/9 £	13/9 £	15/9 £	18/9 £
a) H&F	485.21	566.07	646.94	727.81	889.55	1,051.28	1,213.02	1,455.62
b) GLA	196.15	228.84	261.53	294.22	359.60	424.98	490.37	588.44
c) Total	681.36	794.91	908.47	1,022.03	1,249.15	1,476.26	1,703.39	2,044.06

4. To set the Council's own total net expenditure budget for 2018/19 at £138.944m.
5. To approve £6.5m new spend on key council services.

6. To approve fees and charges as set out in paragraph 6.1, including freezes for all parking charges, and all fees and charges in children's services, adult social care, housing, markets and libraries.
7. To approve the planned additional contribution of £0.620m to the Efficiency Projects Reserve and estimated contribution of £2.6m from the benefit receivable from the London 100% business rates retention pilot.
8. To note the budget projections, made by the Strategic Finance Director to 2021/22 in consultation with the Senior Leadership Team
- 9 To note the statement made by the Strategic Finance Director under Section 25 of the Local Government Act 2003 regarding the adequacy of reserves and robustness of estimates (section 14).
- 10 To authorise the Strategic Finance Director to collect and recover National Non-Domestic Rate and Council Tax in accordance with the Local Government Finance Act 1988 (as amended), the Local Government Finance Act 1992 and the Council Schemes of Delegation.
- 11 To require all Directors report on their projected financial position compared to their revenue estimates in accordance with the Corporate Revenue Monitoring Report timetable.
- 12 To authorise Directors to implement their service spending plans for 2018/19 in accordance with the recommendations within this report and the Council's Standing Orders, Financial Regulations and relevant Schemes of Delegation.
- 13 Members' attention is drawn to S106 of the Local Government Finance Act 1992 which requires any Member, who is two months or more in arrears on their Council Tax, to declare their position and not to vote on any issue that could affect the calculation of the budget or Council Tax.

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.

117. FOUR YEAR CAPITAL PROGRAMME 2018/19

RESOLVED:

1. To approve the General Fund Capital Programme budget at £37.3m for 2018/19 (paragraph 5.1, Table 2 and Appendix 1).
2. To approve the continuation of the Council's rolling programmes and the continued use of internal funding for 2018/19 General Fund 'Mainstream' Programme as set out in Table 3 (paragraph 5.2) and specifically as follows:

- Capital receipts and internal borrowing amounting to £4.98m to fund the Council's rolling programmes as follows:

	£m
Disabled Facilities Grant [RPHS]	0.45
Planned Maintenance/DDA Programme [ENV]	2.50
Footways and Carriageways [ENV]	2.03
Total	4.98

- Contributions from revenue amounting to £0.521m to fund the Council's rolling programmes as follows:

	£m
Controlled Parking Zones [ENV]	0.275
Column Replacement [ENV]	0.246
Total	0.521

- Section 106 funding amounting to £0.5m to fund the Council's rolling programmes as follows:

	£m
Parks Capital Programme [ENV]	0.50
Total	0.50

3. To note existing capital receipts funded schemes previously approved, but now scheduled for 2018/19 (paragraph 5.2, Table 3):

One off schemes:

- Schools' Organisation Strategy - £0.03m
- Carnwath Road - £ 3.07m

Rolling programmes:

- Planned Maintenance/DDA Programme – £6.96m

4. To approve the Housing Programme at £76.1m for 2018/19 as set out in Table 5 (paragraph 7.3) and Appendix 1.
5. To delegate the potential application of 2017/18 capital receipts (totalling £7.1m) under the Government's new Flexible Use of Capital Receipts provisions to fund Invest to Save schemes in 2017/18 and 2018/19 (as identified in Appendix 5). The final decision on whether to make use of any of this flexibility is delegated to the Strategic Finance Director, in

consultation with the Cabinet Member for Finance, as part of the closure of the 2017/18 Accounts process.

6. To approve the revised annual Minimum Revenue Provision policy statement for 2018/19 in Appendix 4.

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.

118. CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2017/18 (THIRD QUARTER)

RESOLVED:

1. To approve the proposed budget variations to the capital programme totalling **£22.8m** (summarised in Table 1 and detailed in Appendix 2).
2. To approve use of S106 contributions to fund £4.7m expenditure on Street Lighting (LED replacement) and Parking (phone payment and pay and display replacement) which would be otherwise funded from the Efficiency Project Reserve.
3. To approve use of S106 contributions to fund £0.5m Parks 2017/18 rolling programme.
4. To note the option to apply capital receipts under the new Flexible Use of Capital Receipts provisions to fund £7.1m of Invest to Save schemes (as identified in Appendix 5).

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.

119. TREASURY MANAGEMENT STRATEGY STATEMENT 2018/19

RESOLVED:

1. That approval is given to the future borrowing and investment strategies as outlined in this report and that the Strategic Finance Director, in consultation with the Cabinet Member for Finance, be authorised to manage the Council's cash flow, borrowing and investments in 2018/19 in line with this report.
2. In relation to the Council's overall borrowing for the financial year, to note the comments and the Prudential Indicators as set out in this report and the revised Annual Investment Strategy set out in Appendix E.

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.

120. FINANCIAL PLAN FOR COUNCIL HOMES: THE HOUSING REVENUE ACCOUNT FINANCIAL STRATEGY, 2018/19 HOUSING REVENUE ACCOUNT BUDGET AND 2018/19 RENT REDUCTION

Councillor Lisa Homan informed that this report had been to the Economic Regeneration, Housing and the Arts Policy and Accountability Committee, where residents had the opportunity to ask questions about the proposed recommendations.

RESOLVED:

- 1 To endorse the revised long term 40 Year Financial Plan for Council Homes as set out in paragraphs 4.19 – 4.22 of this report.
- 2 To approve the Housing Revenue Account 2018/19 budget for Council homes as set out in Appendix 1.
- 3 To note the 1% reduction in rents.
- 4 To approve an increase to equity share rents, which fall outside the Government's requirement to reduce social housing rents by 1% each year, of CPI (3.0% as at September 2017).

- 5 To approve an increase in tenant service charges of CPI (3.0% as at September 2017).
- 6 To endorse the HRA Medium Term Financial Strategy which plans to deliver further on-going annual revenue savings of £0.70million per annum from 2019/20, rising to £0.8million per annum by 2021/22, with savings coming principally from better stock condition and better customer service.
- 7 To note that Thames Water Authority is not due to confirm the increase in tenants' water charges until the end of January 2018, and therefore to delegate authority to the Director of Finance & Resources (Regeneration, Planning & Housing Services) in conjunction with the Cabinet Member for Housing to agree the average increase in water charges.
- 8 To approve a freeze in the communal heating charges.
- 9 To freeze the rates for parking charges on council estates.
- 10 To freeze garage charges for council tenants and resident leaseholders and to increase them for others in line with inflation (3.9% in line with the August 2017 retail price index).
- 11 To note the risks outlined in Appendix 6: Key Risks, of this report.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

121. 3RD SECTOR INVESTMENT FUND GRANT RENEWAL

Councillor Sue Fennimore confirmed the Council's commitment to the 3rd sector in the borough by insuring they were funded for the next three years and were able to continue with the excellent work they provided to the community.

Councillors Lisa Homan and Wesley Harcourt declared a personal interest on this item as they were both trustees of Hammersmith & Fulham Citizens' Advice. They did not participate on the debate nor vote.

RESOLVED:

That Cabinet reviews the recommendations for each individual service and agrees the renewal proposals as set out in Appendix 1.

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.

122. AWARD OF THE COMMUNITY ADVICE AND LEGAL SUPPORT SERVICES CONTRACTS

Councillor Sue Fennimore expressed her delight that these contracts would give an opportunity to the residents unable to afford legal advice to have access to it. The three contracts would be funded for 10 years.

The Leader reiterated the Council's support in ensuring that the most vulnerable people in the borough could receive free legal advice.

Councillors Lisa Homan and Wesley Harcourt declared a personal interest on this item as they were both trustees of Hammersmith & Fulham Citizens' Advice. They did not participate on the debate nor vote.

RESOLVED:

- 1 That 10-year contracts are awarded for the following:
- 2 Lot 1: Generalist Community Advice and Information and Management Community Library and Neighbourhood Centre, [exempt information], be awarded to Hammersmith & Fulham Citizens' Advice.
- 3 Lot 2: Specialist Community Legal Advice, Casework, and Representation, [exempt information], be awarded to Hammersmith & Fulham Law Centre.
- 4 Lot 3: Specialist Community Advice for disabled people (Adults and Children), [exempt information], be awarded to Action on Disability.
- 5 All three contracts to start on 1 April 2018 and run for a 10-year period until 31 March 2028.

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.

123. PROCUREMENT STRATEGY FOR MOBILE TELEPHONY SERVICES

RESOLVED:

1. That the procurement strategy for mobile telephony services to access the framework agreement through the CCS NSF Lot 6 arrangement, be approved.
2. To award a contract for mobile telephony services to Vodafone Ltd or a period of three years from 1st March 2018 to 28th February covering the 3 years in total.

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.

124. PLANNING GUIDANCE SPD: ADOPTION OF DOCUMENT

Before the consideration of this item, the Leader asked Cabinet if they had considered the additional changes that were being proposed to the Design & Conservation chapter of the Planning Guidance SPD, which were sent to Cabinet Members after the agenda publication.

The following amendments were being proposed to Appendix 1: Planning Guidance SPD:

Chapter 4: Design & Conservation (Basement & Lightwells)

- **Para 4.26**

Amend para 4.26 as follows:- ~~“Some heritage assets will be extremely sensitive to changes in level at the threshold of a building~~ Listed buildings and buildings in conservation areas can be sensitive to proposals for lightwells or basement excavation, especially where the forecourt or front garden space provides the setting for the building or terrace and contributes to the significance of the heritage asset.”

- **Para 4.27**

Amend para 4.27 as follows: “ It will be important to consider not only the impact of the permanent alterations, but also the impact of any temporary works that will be required to facilitate the proposed works. ~~Listed buildings and buildings in conservation areas can be sensitive to proposals for lightwells or basement excavation, especially where the forecourt or front garden space provides the setting for the building or terrace and contributes to the significance of the heritage asset.~~”

Chapter 4: Design & Conservation (Archaeology & Heritage Assets)

- **Key Principle AH2**

Amend first para of Key Principle AH2 as follows:- “There will be a presumption in favour of the conservation of ~~designated~~ heritage assets and the more significant the ~~designated~~ heritage asset, the greater the presumption in favour of its conservation will be....”

- **Para 4.141**

Amend para 4.141 as follows:- “Where the application will lead to substantial harm to or total loss of significance to designated heritage assets, the council will refuse consent unless it can be demonstrated that:”

- **Para 4.141 (i)**

Amend point (i) of para 4.141 as follows:- “(i) the substantial harm to or total loss of significance is necessary in order to deliver substantial public benefits that outweigh that harm or loss; or”

- **Para 4.143**

Insert new paragraph after 4.143 as follows:- “The effect of an application on the significance of a non-designated heritage asset should be taken into account in determining the application. In weighing applications that affect directly or indirectly non-designated heritage assets, a balanced judgement will be required, having regard to the scale of any harm or loss and the significance of the heritage asset.”

The Leader proposed to include an additional recommendation to note the additional changes above, which was unanimously agreed.

RESOLVED:

1. That approval be given for the Planning Guidance SPD to be adopted by Cabinet (proposed adoption version at Appendix 1) incorporating the amendments outlined in the schedule of representations at Appendix 2. The adoption to take effect from 28th February 2018.
2. To note the additional amendments proposed to Chapter 4: Design & Conservation (Basement & Lightwells) of the Appendix 1: Planning Guidance SPD, appended to the minutes.”

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.

125. APPROVAL TO PROCURE A MAJOR WORKS CONTRACTOR TO DEVELOP SANDS END ARTS & COMMUNITY CENTRE

Councillor Ben Coleman stated that this report followed a consultation with residents. The key aim was to deliver a sustainable community asset for local residents.

RESOLVED:

1. To approve the designs for the new Sands End Arts and Community Centre.
2. Authority to implement the Procurement Strategy (Appendix 1) for Phase 2 relating to the ‘Major Works Contractor’ which has an estimated value of £2.5m.
3. Delegate authority to the Lead Director for Regeneration, Planning & Housing Services in consultation with Cabinet Member for Economic Development and Regeneration to appoint the successful contractor.

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.

126. REPORT OF THE DEFEND COUNCIL HOMES UNIT

Councillor Lisa Homan stated that this report highlighted the Administration Manifesto commitment to safeguarding Council Homes for the long term for residents against the threat of unwanted development. She highlighted that the option recommended for implementation by the Defend Council Homes Unit (DCHU) in the report is Option 1 – a Council policy commitment supported by a restriction on title. A future Cabinet report would be submitted following consultation.

RESOLVED:

1. To note the conclusions of the Defend Council Homes Unit and its report, and its recommendation that the Council consults on the Unit's preferred option of a Defend Council Homes Policy, supported by an Advisory Body and the registering of a restriction on title related to the new Policy.
2. To agree to delegate authority to the Lead Director for Regeneration Planning and Housing Services to consult with residents on a Defend Council Homes Policy.
3. To note that following this consultation process and the development of an implementation plan a further report will return to cabinet for approval of any Policy, formal consultation, and the creation of any structures to support the policy.

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.

127. AWARD OF A LEARNING DISABILITY FLEXIBLE SUPPORT CONTRACT FOR AN ORGANISATION TO DELIVER CARE AND SUPPORT SERVICES TO PEOPLE WITH LEARNING DIFFICULTIES WITHIN HAMMERSMITH AND FULHAM

Councillor Ben Coleman stated that this report aimed to improve patients' choice and the quality of services.

RESOLVED:

1. To approve an award of contract to Yarrow Housing Ltd for a period of three years with the option to extend for two further periods of each of up to two years for the initial period of 1 July 2018 to 30 June 2021 at a total cost over these three years of £9,517,418 and a maximum lifetime cost over the seven years of £21,178,149.
2. To agree to delegate to the Director of Adult Social Care in consultation with the Cabinet Member for Health and Adult Social Care the decision to extend the contract for each of the two-year extension periods after the initial three-year term.

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.

128. PEDESTRIAN CROSSINGS AT THE WANDSWORTH BRIDGE ROAD/CARNWATH ROAD/TOWNMEAD ROAD JUNCTION

Councillor Wesley Harcourt stated that this had always been a difficult crossing for pedestrians and TfL had continuously resisted any improvements. Following consultation 92% of respondents were in favour of the proposal.

Councillor Steve Hamilton expressed his concerns that this report did not address a traffic light issue at Carnwath Road. Nick Austin, Director for Environmental Health, stated that due consideration was given to the area but he would look into it.

RESOLVED:

1. To implement the pedestrian crossing phases at the Wandsworth Bridge Road/Carnwath Road/Townmead Road junction as described in Section 5 below.
2. To monitor the effects of the scheme when it is in place and work with TfL and the London Borough of Wandsworth to introduce measures which would mitigate any adverse effects.
3. To note that funding for the implementation of the proposal, at an estimated cost £140,000, is available from Section 106 money provided by Thames Tideway.

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.

129. FORWARD PLAN OF KEY DECISIONS

The Key Decision List was noted.

130. 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.]

131. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 15 JANUARY 2018 (E)

RESOLVED:

That the minutes of the meeting of the Cabinet held on 15 January be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

132. AWARD OF THE COMMUNITY ADVICE AND LEGAL SUPPORT SERVICES CONTRACTS : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendations contained in the exempt report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

133. PROCUREMENT STRATEGY FOR MOBILE TELEPHONY SERVICES: EXEMPT ASPECTS (E)

RESOLVED:

That the recommendations contained in the exempt report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

134. AWARD OF A LEARNING DISABILITY FLEXIBLE SUPPORT CONTRACT FOR AN ORGANISATION TO DELIVER CARE AND SUPPORT SERVICES TO PEOPLE WITH LEARNING DIFFICULTIES WITHIN HAMMERSMITH AND FULHAM: EXEMPT ASPECTS (E)

RESOLVED:

That the appendices 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.

135. DIRECT AWARD OF CONTRACTS FOR OLDER PERSONS AND DEMENTIA DAY OPPORTUNITIES: EXEMPT

RESOLVED:

That the recommendations contained in the exempt report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:


None.

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

None.

Meeting started: 7.00 pm
Meeting ended: 7.20 pm

Chair

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 MARCH 2018</p>	
<p>LEGAL CASE MANAGEMENT SYSTEM</p>	
<p>Report of the Cabinet Member for Finance: Councillor Max Schmid</p>	
<p>Open report A separate report on the exempt part of the Cabinet agenda provides financial information.</p>	
<p>Classification: For decision Key Decision: Yes</p>	
<p>Consultation: <i>Legal, Finance, IT, Procurement</i></p>	
<p>Wards Affected: ALL</p>	
<p>Accountable Director: Tasnim Shawkat, Director of Law</p>	
<p>Report Author: Sucheta Naik, Legal Systems and Finance Manager</p>	<p>Contact Details: Tel: 020 8753 2749</p>

1. EXECUTIVE SUMMARY

- 1.1. This paper seeks Cabinet approval for the procurement of a new case management system for LBHF legal services through the Crown Commercial Services' G-Cloud 9 Framework that will enable legal services to deliver value for money and provide high quality services.
- 1.2. The proposal is to award a contract for 2+1+1 years. This is the maximum length under the G Cloud Framework 9. This is also consistent with officers' view that it would not be appropriate to award a long-term contract whilst there is a review of the LBHF sovereign Legal Services to ascertain how best to provide Legal Services for the council in the future.

2. RECOMMENDATIONS

- 2.1. To approve the Procurement strategy to procure a new case management system for LBHF legal services through a call-off contract from the Crown Commercial Services G-Cloud 9 Framework.

- 2.2. To approve the award of a contract to DPS Software Limited (trading as DPS Cloud) (“DPS”) under the G-Cloud 9 Framework to host and provide a case management system for Legal Services for a period of up to 4 years (two-year initial term with the option to extend by 2 further periods of up to 12 months each) at a total cost of up to £239,670.00.
- 2.3. That the Director of HR be delegated authority, in consultation with the Monitoring Officer and the Cabinet Member for Finance, to take all necessary legal and practical steps required in order to complete the contract.
- 2.4. That the Director of HR be delegated authority, in consultation with the Monitoring Officer and the Cabinet Member for Finance, to exercise the option to extend by 2 further periods of up to 12 months each in accordance with the terms of the Contract.

3. REASONS FOR DECISION

- 3.1. Hammersmith and Fulham Legal Services has a case management system that is no longer fit for purpose in its current state. The contract was due to expire in November 2017 but the provider has agreed to extend on a 2-month rolling contract whilst the service review their needs and reprocure.
- 3.2. Once a decision was taken that LBHF would have their own sovereign service, at least in the short to medium term, the service began exploring the option of purchasing a new case management system for LBHF alone. When the current case management system was implemented it was agreed that it would need to be reviewed and further market testing considered in four years, i.e. 2017/18. Soft market testing undertaken in January 2017 has assisted the service to identify what the market can currently offer.
- 3.3. Fee earners and business support have expressed dissatisfaction with the current case management system (CMS) which is hosted by LBHF’s service provider. Reported issues include lost work, loss of confidence in working within the current system due to system crashes, inability to integrate with Outlook and a failure to develop the system to meet the changing needs of the service. As the implementation of O365 approached expectations of a better user experience grew.
- 3.4. The O365 project exposed many issues with the current case management system including
 - Incompatibility – resulting in an upgrade that failed to deliver promised functionality
 - Quality of training and support was not to the required standard
 - Supplier relationship issues have been strained.
- 3.5. Legal Services is becoming a sovereign service by 1st April 2018. A key priority for the LBHF Legal Service in 2018/19 would be the review and

implementation of a best in class legal case management system that will enable Legal Services to be more agile through increased automation, whilst delivering consistently high quality legal advice supported by standardised workflow and processes. Currently a significant amount of fee earner time is consumed by system failure and paper based information systems, this impacts upon morale, time resources and quality. By improving the case management system the new sovereign service will be able to:

1. Improve client experience
 2. Increase efficiency which will reduce costs
 3. Generate income as a result of increased efficiency
- 3.6. A desk-top exercise under the G-Cloud Framework has identified one system called 'DPS' that meets the business needs of H&F Legal Services.
- 3.7. DPS is a web-based system and it is accessed via an internet browser on PCs and mobile phones. It requires no "local" software (i.e. software installed on the users' PCs or laptops) other than a link to internet. This allows users who are based across multiple sites (or at home) to access the system securely.
- 3.8. The cost of the current system is £59k (licences and server cost) per annum, this does not however include development costs. It is anticipated that the costs for the DPS CRM will give rise to efficiency savings and reduced development charges.

4. OPTIONS AND ANALYSIS OF OPTIONS

Remain with existing supplier or procure new solution

4.1. Option 1 - Remain with the existing supplier with a view to improving and developing the system and supplier relationship

- The current system does not integrate with Office 365.
- The current system is not accessible from all types of devices (e.g. mobile devices).
- This option is not recommended.

4.2. Option 2 - Procure a new case management system using GCloud9 e-marketplace in order to run a mini procurement and thus limit the cost of the procurement exercise.

- Following the desk-top exercise under the G-Cloud Framework, a system called 'DPS' has been selected which meets the business needs of H&F Legal Service.
- The G-Cloud system avoids the time-consuming and costly nature of traditional procurement processes.
- There is an assurance that the supplier DPS has been vetted and due diligence has been carried out

- This is the recommended option.
- 4.3. **Option 3 - Run a standalone procurement to procure a new case management**
- This option is time consuming and expensive. Many of the main suppliers of legal case management systems are on the G-Cloud Framework 9 and therefore a standalone procurement is unlikely to bring any benefits which cannot be achieved by using the G-Cloud Framework 9. As the sovereign service is established on 1st April 2018, it is necessary that the new service has a case management system as quickly as possible, a standalone procurement would build in unnecessary delay without any obvious benefits.
 - This option is not recommended.

Hosting Options

- 4.4. Implementation options are being considered for DPS systems

The options are

- Option 1: a system hosted by DPS
 - Option 2: a system hosted by H&F's service provider, BT
- 4.5. Option 1 is recommended as this will be the most efficient option for Legal Services as DPS have sufficient resources to deal with multiple issues at once, they will therefore be responsible for the end to end case management system which should minimise any loss of chargeable time if any problems arise.
- 4.6. Both options for hosting the DPS system are dependent on Citrix infrastructure, which is not a strategic solution for the council. However, by having the solution hosted by DPS themselves, the system can be delivered to H&F without the need to invest in bespoke infrastructure. Delivering systems through externally hosted solutions via internet explorer fits in with the council's IT strategy. The hosted solution is therefore recommended from an IT perspective.

5. PROPOSAL

Business needs and objectives

- 5.1. The legal case management system is a key deliverable in LBHF's Business Plan - Deliver value for money whilst providing high quality services.
- 5.2. The business objective for a case management system is to automate documents by using in built templates, workflows and file management procedures across the whole service. Successful delivery will allow legal cases to be completed within agreed SLA's
- 5.3. To develop working processes and systems to deliver an enhanced level of reporting for detailed analysis of legal work. The successful delivery of which will allow management to produce detailed cost and time analysis for all stages of legal work.

5.4. Benefits to departments.

The new Case Management Service will benefit client departments as well as the Legal Service.

- The ease of use of DPS by fee earners will drive them to use the CMS. This will ensure that all data relating to the matter is stored in one place.
- DPS has a client portal function allowing clients to
 - Request advice more speedily.
 - Self-serve to receive the management information created by the CMS.

Requesting work in this way will also assist with demand management and enable clear and accurate management information to be produced such as billing information to support journals.

Evaluation Process

5.5. The G-Cloud Framework is set up so that buyers can undertake desktop exercise to evaluate services based upon best fit and/or price. This enables buyers to make a direct award following the prescribed buying process, which is made up of the following 5 steps:

- 1) Preparing and setting requirements;
- 2) Search and creation of long list;
- 3) Using filters to create a short list
- 4) Evaluation of short listed suppliers and selection
- 5) Award of contract.

5.6. Legal services has followed the first 4 steps of the prescribed buying process and has selected DPS Software Limited (trading as DPS Cloud) as the supplier that best fits its requirements. This report therefore proposed that a contract for the legal case management system for LBHF be awarded, for up to 4 years, to DPS Cloud. Appendix 1 (contained in the exempt part of the agenda) shows that DPS meets all of the required criteria

6. CONSULTATION

6.1. Legal Services staff were invited to take place in the soft market testing and have had input to the requirements of the system.

7. EQUALITY IMPLICATIONS

7.1. There will be no negative implications for protected groups in the proposed procurement of a new case management system for legal services.

- 7.2. Implications completed by Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1 The Council is permitted to access and call-off from the G-Cloud 9 Framework. Legal services has followed the prescribed buying route as set out in the GCloud 9 Framework and as such the award of a contract for a new case management system from DPS would comply with EU procurement rules.
- 8.2 I have reviewed the terms and conditions which would form the basis of a contract with DPS and advised that they are acceptable.
- 8.3. Implications completed by Catherine Tempest, Senior Solicitor (Contracts), tel. 020 8753 2774.

9 FINANCIAL IMPLICATIONS

- 9.1. The current cost of the case management system is £58,948 per annum or £235,792 for four years. The forecast annual cost of the preferred contract with DPS is £51,480 which is £7,468 less than the current provision. These costs are incurred by IT Services and recharged to Legal Services via the Service Level Agreement process.
- 9.2. The one-off implementation costs of £33,750 will be funded from the FCS Pressures and Demands Reserve.
- 9.3. The implementation and ongoing costs are outlined in **Appendix 2** (contained in the exempt part of the agenda).
- 9.4. Implications verified/completed by: Danielle Wragg, Finance Business Partner, tel. 020 8753 4287.

10. COMMERCIAL IMPLICATIONS

- 10.1. The Framework Agreement is compliant with all statutory regulations. A OJEU contract notice and a OJEU contract award notice has been placed on Tenders Electronics Daily (TED).
- 10.2. The procurement process for a new contract under the framework, including award, is laid down in the Council's Contract Standing Orders (CSOs).
- 10.3. A Contract Notice must be published on Contracts Finder following the award.
- 10.4. A contract entry must be entered in the contracts register and all documentation explaining the thought process behind the award should be attached as evidence.
- 10.5. Implications verified/completed by: Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

11. IT IMPLICATIONS

- 11.1. The requirement specification was drawn up without reference to IT technical, security and data requirements. These requirements have now been added by IT Services and the solution should only be purchased on confirmation by DPS that the system can deliver those requirements. Confirmation that the system can deliver these requirements has been obtained.
- 11.2. It is essential that the new solution is compliant with existing primary legislation and the new General Data Protection Regulation which comes into effect in May 2018. It requires targeted fair processing notices, ability to delete and archive data and clarity around data processing and ownership.
- 11.3. Both options for hosting the DPS system are dependent on Citrix infrastructure, which is not a strategic solution for the council. However, by having the solution hosted by DPS themselves, the system can be delivered to H&F without the need to invest in bespoke infrastructure and therefore the hosted solution is recommended.
- 11.4. Delivering systems through externally hosted solutions via internet explorer fits in with the council's IT strategy.
- 11.5. Implications verified/completed by: Veronica Barella, interim Chief Information Officer, tel. 020 8753 2927.

12 BUSINESS IMPLICATIONS

- 12.1 There is no direct business implications.
- 12.2 Implications verified/completed by: Alben Karameros, Economic Development Team, tel. 020 7938 8583.

13. RISK MANAGEMENT


- 13.1 Access to the framework would provide additional resilience to the Council and Legal Services as the current system is no longer fit for purpose, the hosted solution will need to be reflected in the Service's Business Continuity Plans. Proposals to introduce a new Case Management Service would contribute to the management of Corporate Risk 6 Business Resilience and 12 Decision making and maintaining reputation and service standards.
- 13.2 Implications verified/completed by: Michael Sloniowski, Risk Manager, tel. 020 8753 2587.

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

No.	Description of Background Papers	Name and contact details of responsible officer	Department/ Location	
1	G-Cloud buyers guide - <i>published</i>	Sucheta Naik	Legal Services	
2	G-cloud-9-framework-agreement - <i>published</i>	Sucheta Naik	Legal Services	

LIST OF APPENDICES

Appendix 1 and 2 - contained in the exempt part of the agenda

London Borough of Hammersmith & Fulham CABINET 5 MARCH 2018		
PROCUREMENT STRATEGY TO ACCESS THE LGRP FRAMEWORK		
Report of the Cabinet Member for Finance: Councillor Max Schmid		
Open report A separate report on the exempt part of the Cabinet agenda provides financial information.		
Classification: For decision Key Decision: Yes		
Consultation: Legal, Finance and Procurement		
Wards Affected: ALL		
Accountable Director: Mark Grimley, interim Director for Human Resources and Organisational Development		
Report Author: Veronique Vermeer HR Contracts Manager	Contact Details: Tel: 07747007300 Veronique.Vermeer@lbhf.gov.uk	

1. EXECUTIVE SUMMARY

- 1.1. This report provides the rationale for approval for the council to have the ability to access the LGRP Framework (Local Government Resourcing Partnership) The aim of the framework is to provide a route to market and help support public sector organisations to access and procure recruiting and resourcing services in an efficient and effective manner.
- 1.2. Following a compliant OJEU procurement process, London Borough of Waltham Forest in conjunction with YPO (Yorkshire Purchasing Organisation) awarded a number of suppliers under the following Lots of the LGRP Framework
 - 1.2.1. Lot 1 Executive Search Permanent (roles over £70K) & Interim Recruitment (all roles), 8 suppliers
 - 1.2.2. Lot 2 Permanent Recruitment (roles between £30 - £70K), 8 suppliers

- 1.2.3. Lot 3 HR Consultancy, 8 suppliers
- 1.2.4. Lot 4 HR Marketing Solutions, 3 suppliers
- 1.3. The Framework is valid from 3rd October 2017 until 2 October 2019 (with an option to extend for a further 2 years on yearly intervals).
- 1.4. The Framework is open to all local authorities and provides a simple and competitive route to procure.
- 1.5. Each time the Framework is accessed, it is regarded as a fresh procurement and therefore an individual contract is awarded each time.
- 1.6. Because each individual call off is an individual contract, it is reasonable to provide for long term use of the Framework over the lifetime of the Framework i.e. the full 4-year period.
- 1.7. At present, suppliers for interim and executive search are accessed under the ESPO (Eastern Shires Purchasing Organisation) Framework which expires on 30 April 2018. (See Cabinet Report dated 16th January 2017) Details of any potential new ESPO Framework are unclear at this point. There is a need to have access to approved suppliers in place.
- 1.8. Award of contracts is as set out in the Council's Contract Standing Orders

2. RECOMMENDATIONS

- 2.1. That for the duration of the LGRP Framework (namely, 3rd October 2017 – 2 October 2021), the Framework be utilised and accessed to secure services under the following Lots
 - 2.1.1. Lot 1 Executive Search Permanent (roles over £70K) & Interim Recruitment (all roles)
 - 2.1.2. Lot 2 Permanent Recruitment (roles between £30 - £70K)
 - 2.1.3. Lot 3 HR Consultancy
 - 2.1.4. Lot 4 HR Marketing Solutions
- 2.2. That the calling off of any individual contracts under Lots 1,2,3, or 4 of the LGRP Framework be done in the manner prescribed by the Framework and in accordance with the Council's Contract Standing Orders and internal processes in place.

3. REASONS FOR DECISION

- 3.1. Access to the LGRP Framework will enable utilisation of quality assured resources to help deliver business or service delivery continuity or the emergence of a strategic project.
- 3.2. Under the Council's Contract Standing Orders, it is appropriate to procure the contracts under the Lots referenced in paragraph 1.2 from the LGRP Framework.

- 3.3 The Council could choose to enter into its own contracting arrangements including individual contract awards for each assignment, establishing its own preferred supplier list or entering into other arrangements with local authorities. However, it is considered financially efficient to join existing frameworks where all due diligence and market testing has already been completed and the margins are pre-determined.

4. PROPOSAL AND ISSUES

- 4.1 Under the terms of the LGRP Framework, once you have identified which services / which Lot you require, you will be able to approach the suppliers on the Lot in one of 2 ways: either by carrying out a further competition or through direct award.
- 4.2 Further competition is where all the suppliers on the Lot have the opportunity to bid for the services you require. You are unable to approach a sub-group of the suppliers on the Lot. A direct award gives you the ability to award a contract directly to a supplier on the Lot without having to undertake a further competition provided you can demonstrate that the supplier meets your needs the most in terms of quality and price
- 4.3 Authorities can utilise the Framework just once to meet their requirements and there is no access fee.
- 4.4 There is no commitment to use the LGRP Framework as the sole route for the services provided under the Framework.
- 4.5 The LGRP Framework offers a wide range of services under each of the 4 lots (*See Appendix 1*).
- 4.6 There are sufficient suppliers listed on each lot to provide viable competition and / or match requirements. (*See Appendix 2*).
- 4.7 Rates for each supplier are listed against the services provided. (*See Appendix 3, contained in the exempt Cabinet agenda*).
- 4.8 On each and every occasion where there is a need to access services under a lot, this will be determined and funded by the relevant service departments who will also award the individual contracts in the manner prescribed by the LGRP Framework, the Council's Contract Standing Orders and internal processes in place.
- 4.9 It is intended that Lots 1 and 2 will be the main focus of use for the Council. Lots 3 and 4 come as part of the Framework and simply provide a viable option to be used as necessary in the future.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1 The LGRP Framework has been designed by local government for local government and is based on the council's collective buying power.

- 5.2 The LGRP Framework is a simple and competitive route to procure. All suppliers on the framework have been pre-selected via competitive OJEU compliant process for the ability to provide a comprehensive range of services that incorporates both quality and value for money. All suppliers included on the Framework have already been assessed during the LGRP procurement process for their financial stability, track record, experience and technical and professional ability.
- 5.3 ESPO Framework, provides an alternate route to market for executive and interim recruitment. However, this framework expires on 30 April 2018. Details of any potential new ESPO Framework are unclear at this point.
- 5.4 The council already has a contract for the provision of agency workers with Pertemps but this is only in place for roles up to a salary equivalent of PO9 or below.

6. CONSULTATION

- 6.1. In accordance with s8(3) of the Council's Contract Standing Orders, Procurement has been consulted on the use of the Framework.
- 6.2. In accordance with s8(3) of the Council's Contract Standing Orders, Legal has been consulted on the terms and conditions of any proposed individual contracts. Use of the LGRP Framework is based on their pre-agreed terms and conditions of individual contracts.

7. EQUALITY IMPLICATIONS

- 7.1. There are no negative implications for protected groups by the Council accessing the LGRP Framework. Equality and Diversity was covered in the tender qualification for the LGRP Framework. This was confirmed by Lizzy Grayson, Buyer, YPO.
- 7.2. Both the LGRP framework agreement, and call off terms and conditions include non- discrimination provisions and require the supplier to take all reasonable steps to secure observance by anyone engaged in the performance of the contract.
- 7.3. Implications verified by Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. This report approves the Council accessing the LGRP framework as and when required by service departments. Accessing the Framework places no obligation on the Council to call-off any services from it.
- 8.2. The Council is permitted to access this Framework and, provided service departments follow the procedures set out in the Framework, calling off services from it will be in compliance with EU procurement rules.

- 8.3. Legal services will work with HR to provide guidance to service departments wishing to call-off from the Framework.
- 8.4. Any individual call-offs by service departments will need to be approved in accordance with the Council's contract standing orders.
- 8.5. Implications verified/completed by: Cath Tempest, Senior Solicitor, tel. 02087532774

9. FINANCIAL IMPLICATIONS

- 9.1. Expenditure for resourcing and recruitment costs is managed by departments. This includes ensuring there is adequate budget provision.
- 9.2. Implications verified/completed by: Danielle Wragg, Finance Business Partner, tel. 0208 753 4287

10. COMMERCIAL IMPLICATIONS

- 10.1 The Framework Agreement is compliant with all statutory regulations. A OJEU contract notice and a OJEU contract award notice has been placed on Tenders Electronics Daily (TED).
- 10.2 The procurement process for a new contract under the framework, including award, is laid down in the Council's Contract Standing Orders (CSOs), and approval should be sought for each award, individually, from the relevant Director/Cabinet Member/Cabinet.
- 10.3. It is advised to undertake further competition for each potential contract unless it can be clearly demonstrated that 1 particular supplier best meets the Council's need for the contract in question.
- 10.4. A contract entry must be entered in the contracts register and all documentation explaining the thought process behind the award should be attached as evidence.
- 10.5. Implications verified/completed by: Andra Ulianov, Procurement Consultant, tel. 02087532284.

11. IT IMPLICATIONS

- 11.1. There are no technical implications for the council, as providers will be using their own IT systems, platforms, hardware and software, and will not interact directly with the council's IT infrastructure. However, there may be information implications. IT advise that the mandatory privacy impact assessments are undertaken by the department to accurately assess whether information sharing agreements and privacy notices need to be implemented. This will ensure compliance with current data protection legislation and the GDPR (General Data Protection Regulation).

11.2. Implications verified by: Veronica Barella, interim Chief Information officer, tel. 020 8753 2927.

12 BUSINESS IMPLICATIONS

12.1 As this framework includes services which will promote employment opportunities, the suppliers will work proactively with the Economic Development Team to identify employment opportunities for local residents and supply opportunities for local businesses.

12.2 Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.

13 RISK MANAGEMENT

13.1 Access to the framework would provide additional resilience to the Council in accessing, procuring, recruiting and resourcing services in an efficient and effective manner in mitigation of Corporate Risks 6 Business Resilience and 19 Recruitment and Retention.

13.2 Implications verified/completed by: Michael Sloniowski, Risk Manager, tel. 020 8753 2587.

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

No.	Description of Background Papers	Name and contact details of responsible officer	Department/ Location	
1	None			

LIST OF APPENDICES

Appendix 1 - Range of services offered per lot

Appendix 2 - List of suppliers per lot

Appendix 3 –LGRP Pricing Information for all 4 lots (contained in the exempt Cabinet agenda).

Appendix 1

Range of services offered per lot

Lot 1

Executive and Interim Recruitment –

(i) search and selection of executive recruitment for permanent roles over £70K per annum

Services include review of the role profile, identification, and approaches to targeted individuals in relevant sectors, response management of all applications whether received from targeted search or recruitment advertising, assessment of applications to provide a longlist, provide suggested interview questions, arrange, or recommend forms of assessment tests

(ii) All interim placements

Interim is defined as an individual covering an established post for a term that is supplied through a third-party agency. Services include providing suitable CVs plus a summary report demonstrating clearly how each CV submitted meets requirements and showing the candidate's availability plus the candidates' actual day rate and any anticipated expenses, with a rationale based on market intelligence for the day rate commanded

Lot 2

Permanent Recruitment - search and selection of permanent roles between £30k and £70K per annum

Services include review of the role profile, identification, and approaches to targeted individuals in relevant sectors, response management of all applications whether received from targeted search or recruitment advertising, assessment of applications to provide a longlist, provide suggested interview questions, arrange, or recommend forms of assessment tests

Lot 3

HR Consultancy

Portfolio of services includes: Organisational Design, Workforce delivery models, Organisation Development, Employer Branding, Recruitment Website Design, Talent Pool Management, Social Media Consultancy

Lot 4

Marketing Solutions

Covers a variety of services for campaigns and recruitment advertising

Appendix 2
List of suppliers per lot

Lot	Suppliers
1 Executive Permanent Recruitment (Roles more than £70K) and Interim Recruitment	<i>Allen Lane, Gatenby Sanderson, Hammond Clarke, Hays, Morgan Law, Osborne Thomas, Penna, Solace</i>
2 Permanent Recruitment (roles between £30-£70K)	<i>Allen Lane, Hays, Morgan Law, Osborne Thomas, Penna, Reed, Service Care Solutions, TMP Worldwide</i>
3 HR Consultancy	<i>Buckinghamshire County Council, Gatenby Sanderson, Korn Ferry, Organisation Development, Osborne Thomas, Penna, Reed, TMP Worldwide</i>
4 HR Marketing Solutions	<i>Havas People, Penna, TMP.Worlwide</i>

CABINET

5 MARCH 2018

CORPORATE REVENUE MONITOR 2017/18 MONTH 9 – 31st DECEMBER 2017

Report of the Cabinet Member for Finance – Cllr 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: Gary Ironmonger – Finance manager

Contact Details:

Tel: 020 8753 2109

Gary.Ironmonger@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. Section 151 of the 1972 Local Government Act requires the Chief Financial Officer (as the responsible officer) to ensure proper administration of the Council's financial affairs. This report forms part of the Council's budgetary control cycle for 2017/18. Budgetary control, which includes the regular monitoring of, and reporting on, budgets and taking corrective action to address overspends, is an essential requirement placed on Cabinet Members, the Chief Executive, and Directors in discharging the statutory responsibility. It is essential that additional steps are now taken to manage the serious ongoing budget pressures facing the Council.
- 1.2. The General Fund 2017/18 forecast outturn variance for month 9 is a net overspend of £2.759m.
- 1.3. Officers are taking action to reduce expenditure between now and year end.
- 1.4. The forecast gross overspend is £6.466m. Officers have identified potential mitigating actions of £3.707m, **if fully delivered** this will result in a net overspend of **£2.759m**. Delivery of action plans is assigned to relevant responsible Directors. The Housing Revenue Account forecast outturn variance for 2017/18 is also forecasting an unfavourable variance of £0.463m at month 9.
- 1.5. To facilitate the move to a new finance system by September 2018 the Accounts will be closed earlier than the statutory deadline. A significant amount of activity is necessary to meet this deadline. A number of actions will be required which normally need Cabinet approval, for example final budget carry-forwards, use of reserves, budget virements, level of bad debt provision etc. To meet the early final accounts deadline decision making in relation to these issues is delegated to the Strategic Finance Director in consultation with the Cabinet Member for Finance.

1.6. Given the overall forecast overspend there will be no budget carry-forwards and for any remaining overspends first consideration will be given to meeting these from departmental reserves.

1.7. This month 9 report will be the last report before the year end.

2. RECOMMENDATIONS

2.1. To approve the decision making in relation to production of final accounts to be delegated to the Strategic Finance Director in consultation with the Cabinet Member for Finance.

2.2. To approve the proposed virements requests in appendix 11.

2.3. To approve the consolidation of corporate reserves in line with the categorisation shown in appendix 13.

2.4. To note that officers are putting in place additional financial controls in response to the forecast overspend.

2.5. To note primary consideration will be given to the use of departmental reserves for to mitigate any year end overspends, the decision making on this is delegated to the Strategic Finance Director in consultation with Cabinet Member for Finance.

2.6. To note that no budget underspend carry-forward requests are agreed.

2.7. To note that month 9, will be the last Corporate Revenue Monitor Report before the year-end.

3. REASONS FOR DECISION

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

4. CORPORATE REVENUE MONITOR (CRM) 2017/18 MONTH GENERAL FUND

4.1. Table 1 below sets out the position for month 9.

Table 1: 2017/18 General Fund Gross Forecast Outturn Variance – Month 9

Department ¹	Revised Budget Month 9 £m	Forecast Outturn Variance Month 9 £m	Forecast Outturn Variance Month 7 £m	Movement £m
Adult Social Care (ASC)	60.282	0.581	0.769	(0.188)
Children's Services (CHS)	47.368	3.876	3.412	0.464
Controlled Parking Account (CPA)	(22.118)	(0.248)	(0.497)	0.249
Corporate Services	25.671	0.802	0.508	0.294
Environmental Services (ES)	33.449	(0.094)	0.095	(0.189)
Regeneration, Planning, and Housing Services (RPHS)	8.806	1.594	2.093	(0.499)
Library & Archives Service	2.678	0.056	0.056	0.000
Public Health Services	0.000	0.000	0.000	0.000
Centrally Managed Budgets (CMB)	18.221	(0.117)	(0.062)	(0.055)
Total	174.357	6.466	6.374	92

4.2. Within the overall departmental positions there are some significant overspends which are detailed in the Appendices.

4.3. Action plans to mitigate the forecast overspends are summarised in table 2 and detailed below, but have not secured sufficient impact. All overspending departments will need to respond with further actions to reduce the net forecast overspend by year-end. Delivery of action plans has been assigned to relevant responsible officers. The action plans include the potential use of additional developer contributions of £2.5m.

¹ Figures in brackets represent underspends/ favourable payments

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

Department	Gross Forecast Outturn Variance Month 9 £m	Potential Value of Action Plan Mitigations Month 9 £m	Forecast Outturn Variance Net of Planned Mitigations £m
Adult Social Care	0.581	0.583	(0.002)
Children's Services	3.876	0.375	3.501
Controlled Parking Account	(0.248)	0.000	(0.248)
Corporate Services	0.802	0.016	0.786
Environmental Services	(0.094)	0.000	(0.094)
Regeneration, Planning, and Housing Services	1.594	0.183	1.411
Library & Archives Service	0.056	0.050	0.006
Centrally Managed Budgets	(0.117)	0.000	(0.117)
Council wide (developer contributions)		2.500	(2.500)
Total	6.466	3.707	2.759

5. CORPORATE REVENUE MONITOR 2017/18 MONTH 9 HOUSING REVENUE ACCOUNT

- 5.1. The Housing Revenue Account is currently forecasting a deficit outturn variance of £0.463m at Month 9 (appendix 10).

Table 3: Housing Revenue Account Forecast Outturn - Month 9

Housing Revenue Account	£m
Balance as at 31 March 2017	(20.129)
Add: Budgeted (Contribution) / Appropriation from Balances	1.382
Less: Forecast Adverse Outturn Variance	463
Projected Balance as at 31st March 2018	(18.284)

6. VIREMENTS & WRITE OFF REQUESTS

- 6.1. Cabinet is required to approve all budget virements that exceed £0.1m. General Fund budget virements of £17.231m are proposed at month 9. The major virement of £11.757m is for the transfer of the Waste contract budget from Environmental Services to Corporate Services. There is also a proposed drawdown of £0.5m to facilitate commercial directorate savings. The other major virements are for the reallocation of the Improved Better Care Funding and draw down from reserves to fund the new Landlord Licensing scheme. The HRA have requested virements of £2.171m at Month 9 (see Appendix 11).

6.2. There are no write-off requests for month 9.

7. RESERVES REVIEW

7.1. A review of earmarked reserves was conducted as part of the quarter three close of accounts process (Appendix 12). The review identified that a significant number of the reserves were created for expenditure that was fundamentally similar (e.g. several reserves were created for property related expenditure). To streamline the management of these funding sources it is proposed that corporate reserves are consolidated in a smaller number as shown in appendix 13.

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 IMPLICATIONS

11.1. This report is financial in nature and those implications are contained within.

11.2. Implications completed by: Gary Ironmonger, Finance Manager, tel. 0208 753 2109.

12. IMPLICATIONS FOR BUSINESS

12.1. There are no implications for local businesses.

13. RISK MANAGEMENT

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

14. COMMERCIAL 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	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	Regeneration Planning Housing Services 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 12	Corporate Earmarked Reserves Forecast as at December 2017
Appendix 13	Corporate Reserves Consolidation

**APPENDIX 1: ADULT SOCIAL CARE
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 9**

Table 1 - Variance by Departmental Division				
Departmental Division	Revised Budget	Variance Month 9	Variance Month 7	Performance since last report
	£000	£000	£000	£000
Integrated Care	46,099	4,991	5,168	↑
Strategic Commissioning & Enterprise	5,721	(4)	(4)	→
Finance & Resources	7,921	0	0	→
Executive Directorate	541	(97)	(86)	↑
Funding from ASC Pressures and Demand Reserves	0	(4,309)	(4,309)	→
TOTAL	60,282	581	769	↑

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Integrated Care		
A projected overspend of £2,564,000 on Home Care and Direct Payments. There are continued pressures as part of the out of hospital strategy to support people at home and avoid hospital admissions or to enable early discharge which has led to an increase in home care costs above that which is normally expected. The main reasons for the overspend in 2017/18 are the full year effect of increased client numbers from last year of 227 & to date there are net 56 new clients this year leading to a budget pressure of £1,700,000. The Home Care and Direct payment rates have increased due to the London living wage increases which results in pressures of £864,000. The main change in the forecasted position since month seven is an additional 9 new care packages.	2,564	2,427
Better Care Fund savings shortfall of £985,000. Within the base budget is an MTFS efficiency of £2m following previous negotiations with Health over the Better Care Fund. The efficiency target has various target measures to deliver savings by the avoidance of care in placements, savings in jointly commissioned contracts and securing lower prices. The department is projecting to deliver reductions on placements which since the start of the last year shows a net reduction of 6 people to date which has reduced the projected underspend in placements to (£439,000). The main change in the forecasted position since month seven is recharging by improved utilisation of vacant beds to other boroughs service users occupying beds in the PFI block contract homes of £576,000.	985	1,557

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Mental Health Services is projecting an overspend of £1,020,000. This service continues to have increasing number of placements with the full year effect of new people and increases above inflation leading to budget pressures of £763,000. In Mental Health, Home Care and Direct Payment pressures amount to £257,000 with the full year effect of service demand.	1,020	1,000
Learning Disability services is projecting a net overspend of £55,000. There is increasing demand pressures in Home care, Direct Payments and Day care services of £411,000. These are partly offset by underspends in the placement budget of (£356,000) mainly to the continued review of the high cost placements.	55	(147)
Provided services projected overspend of £174,000. There are demand pressures in the Careline to fund a 24/7 service and a review of the delivery model has commenced.	174	174
Minor other variances.	193	157
Total Integrated Care	4,991	5,168
Strategic Commissioning & Enterprise		
Minor contractual underspends.	(4)	(4)
Total Strategic Commissioning & Enterprise	(4)	(4)
Executive Directorate		
Projected underspend against supplies and services budgets within the Directorate and Executive support budgets.	(97)	(86)
Total Executive Directorate	(97)	(86)
Funding from ASC Pressures and Demand Reserves		
ASC Funding from December 2016 and Spring 2017 budget settlements. The department has been allocated Improved Better Care Funding of £4,297,000 in the Spring Budget and £831,000 in the December funding settlement. The plans for this funding have been agreed with Health and presented to the Health & Wellbeing Board in September. The funding can be used to stabilise Adult Social Care, manage the transfer of care, invest in out of hospital services and market management of providers. Given the financial pressures in both the Health and social care sectors each party is proposing to set aside £819,000 to develop a more sustainable market. A virement is requested for approval in this report to allocate the funding to the service areas incurring the additional spends.	(4,309)	(4,309)
Total Funding from ASC Pressures and Demand Reserves	(4,309)	(4,309)

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
TOTAL VARIANCE	581	769

Table 3 - Key Risks - Detail Items Over £250,000			
Risk Description	Risk At Month 9 £000	Risk At Month 7 £000	Risk Management Since Last Report £000
There is an estimated shortfall in the s.75 Health Commissioning budgets which are under significant financial pressures. Following discussions with Health, the financial liability will rest with the organisation responsible for the customer. Following recent discussions with Health this risk is reduced to £450k.	450	900	↑
Following a recent review of the savings from the Transformation Commissioning Programme a number remain as amber RAG rated. Further work is being undertaken on the delivery of the savings.	951	951	→
Demographic pressures on Adult Social Care services would continue to increase as the population gets older. We continue to experience increases in numbers greater than anticipated during this financial year.	200	400	↑
TOTAL RISKS MANAGED	1,601	2,251	0

Supplementary Monitoring Information
<p>The Department continues to experience significant budget pressures. The Department is projecting a gross overspend of £4,890,000 as at end of period nine, there is a reduction in the overspend of (£188,000) compared to the period seven projection of £5,078,000. The reduction in the overspend in the forecasted position since month seven is due to recharging through improved utilisation of vacant beds to other boroughs service users occupying beds in the PFI block contract homes. The overspend is mainly as a result of the full year implications of new service users coming through the service from 2016/17 especially within home care and direct payments, new services users in 2017/18 and price increases due to market pressures. The Department is proposing to use the new additional funding from the Improved Better Care Fund (iBCF) of £4,297,000 & £831,000 to mitigate the majority of these pressures leaving a projected overspend of £581,000. The department has an action plan with a potential value of mitigating actions totalling (£583,000) which will result in a projected small underspend.</p> <p>Historically, the Department's budget has had underlying budget pressures, which were partly mitigated in year by using a combination of one off reserves, the carry forward of underspends and funding from health. For 2017/18, we are proposing to use the iBCF monies to reduce the projected overspend as shown above. This funding is time limited</p>

over a 3-year period, year one being 2017/18. Since the last period, the Department is highlighting a reduced maximum potential risk of £1.601m due to financial pressures on the s.75 health budgets, in year savings at risk of non-delivery and demographic increases. A virement is requested for approval in this report to allocate the Improved Better Care Fund (iBCF) funding to the service areas incurring the additional spends.

APPENDIX 2: CHILDREN'S SERVICES
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 9

Table 1 - Variance by Departmental Division				
Departmental Division	Revised Budget	Variance Month 9	Variance Month 7	Performance since last report
	£000	£000	£000	£000
Family Services	27,388	2,579	2,074	↓
Education	7,419	866	783	↓
Commissioning	5,100	609	642	↑
Safeguarding, Review and Quality Assurance	1,521	32	67	↑
Finance and Resources	5,940	(215)	(159)	↑
Schools Funding	0	4	4	→
TOTAL	47,368	3,876	3,412	↓

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Family Services		
<p>Looked After Children (LAC) & Leaving Care - Building on recent in-depth review of all cases with team managers work since period 7 has identified a further increase of £0.368m. 6 new cases have added £0.118m to the forecast and changes to 20 existing cases have added £0.440m across the Looked After Children & Leaving Care and Fostering and Adoption forecasts.</p> <p>A comparison of spend v 16/17 shows a slight increase in costs based on current forecasts. However, a comparison of LAC and Leaving care numbers in place at period 7 shows an overall increase of 15 LAC and 28 leaving care based on the same point in the previous year. These figures include 13 DUBS cases (DUBS: refers to an amendment to the 2016 UK Immigration Act tabled by Lord Alf Dubs. The Regulation states that asylum seekers with family members already under international protection, or in the process of seeking asylum, have the right to claim asylum in the same country). Savings are being achieved in this area. LAC and permanency placements have reduced but the expenditure has increased on Unaccompanied Asylum-Seeking Children (UASCs), an element of this is predicted to be on the 13 DUBS cases.</p>	2,680	2,312

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Family Support & Child Protection - Salary pressures due to increased activity and case load and the loss of grant funding this year (£0.273m). There has been a requirement to recruit additional workers to cover the unallocated cases in this service. Staffing pressures have been partly mitigated by reductions in non-staff costs, particularly residential family assessments.	95	36
Contact and Assessment - 4 Deputy Team manager posts and the loss of grant funding this year is contributing to the current forecast.	320	327
Multi Agency Safeguarding Hub - 2017/18 finds salary pressures over and above the budget due to a high level of maternity leave requiring cover.	45	43
Early Help and Social Work - Staffing pressures based on the usage and corresponding cost allocation for the shared Emergency Duty Teams and the Action for Change service.	74	74
Fostering and Adoption - underspend split between placement costs (£0.642m) and staffing (£0.039m). The movement from period 7 is due to the placement forecast changes referred to under Looked After Children & Leaving Care above.	(720)	(832)
Other small variances across the service.	85	114
Total Family Services	2,579	2,074
Education		
Travel Care and Support Services - Forecast pressure related to the increased costs from mini-bus framework re-tendering process over the summer netted off by savings in taxi journeys. Full year projection of minibus transportation during the re-tendering process was £1.184m for minibus and £1.053m for taxis compared with the current FY forecast of Minibus transportation (£1.771m) and taxis (£0.755m). All agreed growth is included in the forecast variance.	97	50
Special Educational Needs - Staffing pressures including those in Relationships and Quality Assurance (£0.089m) and Service Delivery teams (£0.143m) are predominantly caused due by the employment of additional staff posts to support the SEN service in delivering the statutory requirement set out in the Children's and Family's Act. These are partly mitigated in year by Invest to Save funding agreed by Members. The increase from period 7 is partly due to increased use of agency staff to support the service.	285	138
Short Breaks - Pressure remains on the short breaks placement budget, primarily because of high cost care packages that have been set up in year in lieu of residential placements.	562	737
Special Educational Needs (SEN) and Disabilities – the Sensory and Language Impairment Team showing a	(86)	(139)

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
favourable staffing and traded income variance.		
Minor variances across the service.	8	(3)
Total Education	866	783
Commissioning		
Pressure on salary budget due to use of interims and supernumerary staff delivering department wide projects which are outside of the Commissioning baseline capacity. Additionally, there is a baseline budget pressure as a result of the 2016 restructure which was based on a skeletal service model. This is partially offset by underspends on the Early Years element of the SALT contract and against the Children's and Adolescents Mental Health Services budget.	609	642
Total Commissioning	609	642
Safeguarding, Review and Quality Assurance (SRQA)		
Although work has been done to bring back an historically overspending service back in line with budget, SQRA is forecast to overspend by £0.032m. A re-organisation in the Children's Rights Service has not as yet been completed. This should have delivered a £0.050m saving in 17/18 and once completed, this should bring spending back in line with budget.	32	67
Total Safeguarding, Review and Quality Assurance	32	67
Finance and Resources		
Finance and Resources contains pressure budget which is due to be dispersed to various services to cover staffing spend pressures.	(215)	(159)
Total Finance and Resources	(215)	(159)
Schools Funding		
Minor Variances	4	4
Total Schools Funding	4	4
TOTAL VARIANCE	3,876	3,412

Table 3 - Key Risks - Detail Items Over £250,000
None to report

**APPENDIX 3: CONTROLLED PARKING ACCOUNT
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 9**

Table 1 - Variance by Departmental Division				
Departmental Division	Revised Budget	Variance Month 9	Variance Month 7	Performance since last report
	£000	£000	£000	£000
Pay & Display (P&D)	(12,145)	(2,481)	(2,326)	↑
Permits	(4,496)	(112)	(112)	→
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(6,814)	(573)	(757)	↓
Bus Lane PCNs	(1,257)	(137)	(137)	→
CCTV Parking PCNs		(19)	(19)	→
Moving Traffic PCNs	(6,314)	1,197	1,197	→
Parking Bay Suspensions	(3,223)	622	452	↓
Towaways and Removals	(325)	88	68	↓
Expenditure and Other Receipts	12,456	1,167	1,137	↓
TOTAL	(22,118)	(248)	(497)	↓

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Pay & Display (P&D)		
Overachievement of income is due to the telephone parking roll out (partly offset by expected expenditure to run the scheme see Expenditure and Other receipts below). Income received in 2017/18 from P & D (including phone payments and card payments) is 12.0% higher than the same period the previous year.	(2,481)	(2,326)
Total Pay & Display (P&D)	(2,481)	(2,326)
Permits		
Overachievement of income compared to budget. Income received in 2017/18 is slightly higher than budget which is similar to last year.	(112)	(112)
Total Permits	(112)	(112)
Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)		
The numbers of CEO PCNs issued is 7% higher than same period last year. This is due to more effective enforcement following 30 new CEOs starting in August 2016. The forecast has been revised downwards since the last report to reflect two issues: 1) PCN processing has suffered delays due to changes in the County Court IT system. This has slowed the progression of cases when trying to register cases as debt and subsequently send warrants. 2) There is a backlog of correspondence and it is taking	(573)	(757)

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
longer than anticipated to clear which is slowing the PCN income recovery at all stages.		
Total Civil Enforcement Officer (CEO) Issued Penalty Charge Notice (PCN)	(573)	(757)
Bus Lane PCNs		
Actuals in to December are indicating that we are likely to overachieve against budget.	(137)	(137)
Total Bus Lane PCNs	(137)	(137)
CCTV Parking PCNs		
Actuals in 2017/18 are indicating that we are likely to overachieve against budget.	(19)	(19)
Total CCTV Parking PCNs	(19)	(19)
Moving Traffic PCNs		
The numbers of PCNs issued is 5% lower than same period last year. Income is also 12% lower than the same period the previous year. The aim of CCTV enforcement is to increase compliance so a reduction in PCNs is an indication of successful enforcement. Recovery rates would also have been impacted upon by the inability to register cases with the County Court (see comments on CEO PCNS above).	1,197	1,197
Total Moving Traffic PCNs	1,197	1,197
Parking Bay Suspensions		
The number of Parking Suspensions has significantly reduced in general as highlighted in previous reports. We know from reductions in planning applications and in building control applications that the property market is not thriving at the moment, and this is affecting parking suspensions as well. Income to date is 24% lower than in the same period the previous year. Non-chargeable suspensions have increased due to a large number of gully maintenance works and the next phase of new electric charging bays being installed by highways.	622	452
Total Parking Bay Suspensions	622	452
Removals		
Income 9% down on the same period in 2016/17 and this has been reflected in the forecast.	88	68
Removal	88	68
Expenditure and Other Receipts		

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Now that the we are approaching year end it is becoming more apparent that we will not be filling all our vacant posts and this is represented by the drop-in forecast overspend.	44	146
The forecast incorporates expected expenditure in relation to cashless parking, which is covered by the additional P&D income, as anticipated in the original cabinet decision. The costs include: 1) Contractor costs for provision of cashless parking solution. 2) P&D machine maintenance and cash collection. 3) Credit/Debit card and text messaging fees. We have now completed budget setting for 2018/19 which will more appropriately reflect the extra income and costs that have arisen from cashless parking, now we have some experience of the rates of take up of the new service.	1,224	1,092
Additional income due to cross departmental recharges, legal disbursements and recovery in line with previous year.	(101)	(101)
Total Expenditure and Other Receipts	1,167	1,137
TOTAL VARIANCE	(248)	(497)

Table 3 - Key Risks - Detail Items Over £250,000
None to report

**APPENDIX 4: CORPORATE SERVICES
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 9**

Table 1 - Variance by Departmental Division				
Departmental Division	Revised Budget	Variance Month 9	Variance Month 7	Performance since last report
	£000	£000	£000	£000
H&F Direct	15,229	0	0	→
Human Resources & Electoral Services	1,281	(178)	0	↑
Finance & Audit	809	0	0	→
Delivery & Value	1,099	112	0	↓
Executive Services	280	0	0	→
Commercial Director	9,109	537	508	↓
Legal Services	(781)	282	0	↓
ICT Services	(1,355)	50	0	↓
TOTAL	25,671	802	508	↓

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
H&F Direct		
Minor Variances	0	0
Total H&F Direct	0	0
Human Resources and Electoral Services		
Salary underspends to be reflected in £100k saving agreed for 2018/19	(178)	0
Minor Variances		
Total Human Resources & Electoral Services	(178)	0
Finance & Audit		
Minor Variances	0	0
Total Finance & Audit	0	0
Delivery & Value		
Unfunded smarter budgeting costs	166	0
Minor Variances	(54)	0
Total Delivery and Value	112	0
Executive Services		
Minor Variances	0	0
Total Executive Services	0	0
Commercial Directorate - Commercial Operations		

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Business Intelligence - The BI team are forecast to achieve the income target of £633k (£500k of this relates to 2017/18 MTFS target) but will not complete works to the value of £1m this financial year as reported previously. To date £287k has been invoiced. This is due to slower than expected progression of sales to contract and delivery stage as a result of key staff being diverted to other projects.	0	(367)
Minor Variances	30	0
Commercial Directorate - <i>Building and Property Management (BPM)</i>		
Advertising Hoardings: The adverse variances are mainly due to shortfall in income from the old contract for the Two Towers site (new contract started in July), and L'Oreal, Bentworth Road and Woodstock Grove sites. One-off costs of £167k were also incurred on agency fees relating to the new contract. Some of the costs will be deferred to match future benefits. There were income shortfalls on the old Two Towers contract in 2016/17 quarter 4 of £117k and 2017/18 quarter 1 of £22k which have now crystallised. The net movement of £10k relates to the L'Oreal site where the tenants are disputing a proportion of the charges.	935	924
New commercial income opportunity for advertising is no longer being pursued. Alternatives being discussed with the Commercial Director. In addition, no income is expected this year from Walham Green Court as the lease has yet to be completed and hoarding still to be erected.	126	126
Rental and civic properties: There is a forecast rental income shortfall on commercial properties of £63k primarily due to savings not being achieved from 2015/16. In Civic Accommodation, the forecast variance is (£305k) favourable. There has been a successful claim for a rates refund on the Town Hall, backdated to 2010. There is an overspend in Lila Husset due to a one-off unbudgeted stamp duty, rent free period and removal costs. The effect of the overspend is mainly offset by an empty property exemption business rates refund for Fulham Town Hall, and an underspend in utilities.	(242)	112
Building Control income shortfall due to reduction in service demand. Remedial plans include improved marketing to potential customers.	121	119
Prior year credits from the Total Facilities Management contract. The forecast has been adjusted to reflect backdated change controls and a change in the cost allocation from 24.08% to 26.35% for Hammersmith and Fulham. The impact overall has led to a reduction in the TFM reserve from £592k to £277k.	(293)	(293)
Valuation services: Favourable variances due to reduced energy consumption in civic buildings giving rise to rebates, and staffing costs recharges and a vacant post.	(204)	(208)

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Valuation services: There was an overspend of £50k which relates to expenditure incurred in relation to the asset disposal programme. These costs were planned to be funded from capital receipts but will not now qualify for offset against the capital programme. These overspend will be offset by a drawdown from reserve with a current balance (£21.5k).	29	56
Staffing overspend in Technical Support	18	26
Minor Variances	1	(2)
Commercial Directorate - Waste Management & Street Scene Enforcement		
Actual inflation on the waste contract was more than the budget growth awarded (2% estimate compared to 3% actual). Additional budget growth has been agreed from 2018/19, but this will continue to be a pressure this year	78	78
Due to operational changes agreed after the Leaders Urgent Decision. Forecast assumes £40k draw down of balance on s106 funding earmarked for this purpose.	72	72
Waste recharges to other services forecast to be more than budgeted (assuming income is in line with last year).	(68)	(43)
Salary underspends due mostly to vacancy drag.	(43)	(36)
Street Scene Enforcement Fixed Penalty Notice income forecast to be better than budget, assuming income is in line with last year.	(14)	(30)
Various Minor Variances.	(9)	(26)
Total Commercial Directorate	537	508
Legal Services		
Employee costs. The forecast includes £260k of agency costs. £184k incurred to date plus a forecast of £76k for Q4.	286	0
Credit from over accrual in 2016/17	(95)	0
Under recovery of income	132	0
Minor Variances	(41)	0
Total Legal Services	282	0
ICT Services		
Minor Variances	50	0
Total ICT services	50	0
TOTAL VARIANCE	802	508

Table 3 - Key Risks - Detail Items Over £250,000			
Risk Description	Risk At Month 9 £000	Risk At Month 7 £000	Risk Management Since Last Report £000
Unplanned costs arising from the termination of the LINK shared service.	400	400	→
Expenditure incurred on disposed assets cannot be met by disposal receipts and on properties not being sold.	100	250	↑
Unfunded revenue costs incurred in appropriation of General Fund assets to HRA as well as transactions costs for transfer of assets for community benefits.	50	250	↑
Potential costs of legal challenge in BPM.	200	200	→
Lyric Theatre - Unfunded repairs and maintenance costs above the agreed cap of £50k.	100	250	↑
If costs of cleaning and maintaining pavements is higher than budget.	185	185	→
TOTAL RISKS MANAGED	1,035	1,535	

APPENDIX 5: ENVIRONMENTAL SERVICES
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 9

Table 1- Variance By Departmental Division				
Departmental Division	Revised Budget	Variance Month 9	Variance Month 7	Performance since last report
	£000	£000	£000	£000
Transport, Highways, Parks & Leisure	18,073	244	159	↓
Environmental Health, Community Safety & Emergency Planning	6,215	115	194	↑
Cleaner, Greener & Cultural Services	9,141	(219)	(186)	↑
Other LBHF Commercial Services	(220)	(7)	(7)	↓
Executive Support and Finance	240	(227)	(65)	↑
TOTAL	33,449	(94)	95	↑

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Transport, Highways, Parks & Leisure		
Income overachievement due to staff costs that will be rechargeable to projects.	(107)	(72)
Wifi income shortfall, assuming income in line with last year.	72	87
Underspend on TfL traffic lighting charges.	(51)	(51)
Streetlighting - 15/16 savings not achieved.	50	59
Reduction in Network Management Fixed Penalty Notice income due to contractors being more aware of the system to avoid being charged and a change of ruling in one of the footway offences.	124	87
Increase in winter maintenance.	73	46
Parks and Leisure - Actual grounds maintenance contract inflation more than budget inflation awarded. Inflation requirements to be revisited in 2018/19. The main movement from month 7 is due to the delayed implementation of new Sports Booking contract; net impact of consequential costs and reduced income.	83	3
Total Transport, Highways, Parks & Leisure	244	159
Environmental Health, Community Safety & Emergency Planning		
Additional spend on Corporate Safety. Additional funding has been approved for 2018/19.	58	0
Historic budget pressures in Noise and Planning, relating to	47	0

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
staff costs.		
Forecast shortfall in licencing fees, mostly due to the downward revision of a major licence fee.	73	73
New commercial income targets for deployable CCTV (£100k) and Professional Witnesses (£15k) not delivered.	115	65
Parks Police salary underspend due to vacancy drag	(38)	0
Registrars salary underspend due to staff retention difficulties and recruitment delays.	(126)	(80)
Environmental Health salaries overspend.	0	169
Minor Variances.	(14)	(33)
Total Environmental Health, Community Safety & Emergency Planning	115	194
Cleaner, Greener & Cultural Services		
Forecast underspend on waste disposal due to continuation of reduced rate for processing recycling.	(299)	(203)
New commercial income target for Parks and Markets Events not delivered.	100	0
Salary underspends due to new senior management arrangements. Factored into the budget for 2018/19.	(51)	(51)
Forecast net underspend on Commercial Waste, mostly due to reduced recycle processing costs.	(41)	(43)
Forecast shortfall on filming income partly due to the delay in the opening of the Location Library which is not expected to deliver the anticipated savings.	147	125
One off events income	(64)	0
Minor Variances	(11)	(14)
Total Cleaner, Greener & Cultural Services	(219)	(186)
Other LBHF Commercial Services		
Income shortfall on the non-guaranteed income element of the ducting contract	135	0
Planned departmental reserve draw down included in the forecast for approval - to fund ducting income shortfall.	(135)	0
Minor Variances.	(7)	(7)
Total Other LBHF Commercial Services	(7)	(7)
Executive Support and Finance		
Executive Support staffing underspend - vacancy drag pending service reorganisation.	(27)	(17)
Early delivery of senior management savings.	(30)	(30)
Forecast underspend against IT budgets.	(143)	0
Expected budget transfer to RPHS department for finance support relating to transferred services.	42	0
Underspend due to not backfilling secondment of Programme Manager to FCS.	(69)	0

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Minor Variances.	0	(18)
Total Executive Support and Finance	(227)	(65)
TOTAL VARIANCE	(94)	95

Table 3 - Key Risks - Detail Items Over £250,000			
Risk Description	Risk At Month 9 £000	Risk At Month 7 £000	Risk Management Since Last Report £000
The forecast includes a £385k draw down from the invest to save fund as part of the smarter budgeting business plan for landlord licensing. If this is unable to be drawn down, the forecast for ES will worsen by £385k.	385	300	↓
TOTAL RISKS MANAGED	385	300	↓

Supplementary Monitoring Information
There have been a number of uncontrollable overspends in Environmental Services this year - the forecast above includes drawdowns of £675k from Environmental Services departmental reserves to help fund some of these. This is requested despite an overall forecast underspend, in order to help the overall position of the Council. The forecast also includes a drawdown of £385k from the Invest to Save fund. Without this draw down, the forecast for ES will worsen by £385k.

APPENDIX 6: REGENERATION, PLANNING HOUSING SERVICES
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 9

Table 1 - Variance By Departmental Division				
Departmental Division	Revised Budget	Variance Month 9	Variance Month 7	Performance since last report
	£000	£000	£000	£000
Housing Solutions	6,133	1,317	1,436	↑
Housing Strategy	110	0	0	→
Economic Development, Learning & Skills	769	27	27	→
Development & Regeneration	13	0	0	→
Housing Services	108	0	0	→
Planning	2,194	250	630	↑
Finance & Resources	61	0	0	→
TOTAL	9,388	1,594	2,093	↑

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Housing Solutions		
<p>Inflationary pressure on temporary accommodation rents from private landlords has resulted in an adverse variance of £1,544k. This comprises of:</p> <ul style="list-style-type: none"> • £588k direct inflationary pressure compared to 16/17 prices mostly on properties acquired through the West London managing agents framework agreement where agents are demanding rent rises on homes in their portfolio already occupied by households in temporary accommodation (£470k of the £588k). This overspend has reduced as a result of mitigating action reducing expensive properties in the portfolio. • £956k of savings on the net rental cost assumed in the budget that are not being realised despite pursuing more longer term leases. <p>There is also a forecast increase in average client numbers (from a budget of 782 units to a forecast of 924 (910 at CRM7)) that results in an over spend of £418k.</p> <p>The impact of the loss of the management fee has resulted in an over spend of £1,922k, although this is offset in this year by the grant received below.</p> <p>There is an overspend of £91k (down from £164k in CRM7) predicted on the bad debt provision (from a budget of 8.5% of rental income to a forecast of 8.75%) because of continuing pressures on income collection resulting from the implementation of Universal Credit.</p>	3,974	3,964

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Incentive payments to private sector landlords are expected to exceed the budget by £32k. Major landlords have threatened to withdraw their homes unless we pay them additional sums, again this is happening a lot on properties acquired through the West London managing agents framework agreement. For example, we are having to pay £1,000 per property to retain 31 TA units that are currently occupied provided by one of these agents. Officers are working on plans to procure alternative accommodation.	32	32
Homelessness Support Grant provided by CLG to cushion the impact of the removal of the management fee for Temporary Accommodation (after deducting an assumed £250,000 which we expect Registered Providers to claim). CLG have stated the aim is to 'empower LAs with the freedom to support the full range of homelessness services they deliver' and plan their provisions with more certainty. It should be noted that so far this is only promised for 17/18 and 18/19 so there is a risk of significant budget pressure thereafter.	(3,277)	(3,277)
Increase in Bed and Breakfast accommodation net costs due to continuing increasing inflationary pressures on rents results in an adverse variance of £218k. Higher average client numbers (164 forecast up from 163 at CRM 7 vs 134 in the budget) has resulted in an adverse variance of £136k. The overspend on the bad debt provision has fallen to £92k this month (£285k at CRM 7) due to a revision to the forecast for bad debts from 25% of rental income at CRM 7 to 15% this month (the budget is 10%). This is due to continuing pressures on income collection as a result of the implementation of Universal Credit.	446	575
It is expected that repair costs on PSL properties will exceed the budget by £100k, and legal costs relating to disrepair and complex cases will overspend by £95k.	195	195
A detailed review of salary apportionments, which included looking at practices elsewhere, has resulted in an additional salary recharge to HRA for the Assessment teams in Housing Solutions.	(53)	(53)
Total Housing Solutions	1,317	1,436
Housing Strategy		
Other Minor Variances.	0	0
Total Housing Strategy		
Economic Development, Learning & Skills		
It's not been possible to identify alternative funding sources for the Mayor's tea dances.	27	27
Other Minor Variances.	0	0
Total Economic Development, Learning & Skills	27	27

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Development and Regeneration	0	0
Other Minor Variances.	0	0
Total Development and Regeneration	0	0
Housing Services		
Stable Way - travellers site managed by RBKC TMO. Hammersmith and Fulham Council have nomination rights and contribute towards the running of the site.	(11)	(11)
Aids and Adaptations - minor overspend	11	11
Total Housing Services	0	0
Planning		
Development Management - The division is currently predicting a staffing cost overspend of £13k and a shortfall in planning fee income of £406k. It's not been possible to offset the loss of income with reductions in staff as the service are still working through planning applications which came in earlier this year as well as dealing with non chargeable work but income prediction has improved this month following an increase in the volume of fee generating applications received by the team. In addition, forecast overspends on printing, publication and publicity costs of £61k, third party payments of £36k and other minor overspends of £18k are offset by an underspend on internal legal recharges of (£89k).	445	594
Planning Regeneration - Higher than budgeted staffing costs of £265k are largely offset by an improved forecast for planning fee income of (£458k). In addition, the forecast for bad debt write offs is £50k.	(143)	88
Planning Director's Office - this relates primarily to the vacant Director of Planning role.	(126)	(127)
Policy - New Homes Bonus funding for the production of Supplementary Planning Documents has been exhausted, therefore, there is a shortfall of £107k this year. In addition, staffing costs are forecast to overspend by £2K, as well as, there will be an underspend of (£35k) for inspection costs.	74	75
Total Planning	250	630
Finance & Resources	0	0
Total Finance & Resources	0	0
TOTAL VARIANCE	1,594	2,093

Table 3 - Key Risks - Detail Items Over £250,000

Risk Description	Risk At Month 9 £000	Risk At Month 7 £000	Risk Management Since Last Report £000
Overall Benefit Cap	88	110	↑
Direct Payment (Universal Credit)	130	389	↑
Increase in the number of households in Bed & Breakfast accommodation	159	159	→
Change in Local Housing Allowance subsidy entitlements	0	121	↑
Inflationary pressures on Temporary Accommodation landlord costs	87	261	↑
Increased number of homelessness acceptances	168	168	→
The Governments High value void sales policy as legislated for in Housing & Planning Act 2016 - reduction in available accommodation	unknown	unknown	→
Skills Funding Agency grant reduction	174	174	→
New Homes Bonus funding for the production of Supplementary Planning Documents has been exhausted. There is a risk that the costs of current and future work on SPDs will need to be charged to revenue. The risk has been updated this month and some of the risk has crystallised and is reported as a variance above. Officers will continue to monitor the risk each month.	100	100	→
The Council has been refused permission for the Triangle scheme, so there is now a risk of a public enquiry which could cost the Council in excess of £250k in legal fees. This may impact on 17/18 (up to 50% of the risk).	125	125	→
TOTAL RISKS MANAGED	1,031	1,607	↑

Supplementary Monitoring Information

Changes to the wider political, legislative and economic environment are of such a scale that the financial pressure can only be partially offset. We are experiencing increasing inflationary pressure as we are outbid for TA by other London Boroughs especially those looking to reduce the number of families they have in B&B and considerable inflationary pressure on currently occupied properties acquired through the West London Managing Agents procurement framework (there are short notice periods on both sides in this contract).

Approval is requested to draw down £12,000 from the Temporary Accommodation reserve to fund the costs of preparing the departmental plan for managing the impact of the Homelessness Reduction Act.

Approval is also requested to draw down £90,000 from the King Street Regeneration Reserve (a budget of £250,000 was approved by the Leader in April 2017) to fund project management costs.

APPENDIX 7: LIBRARIES AND ARCHIVES SERVICES
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 9

Table 1 - Variance by Departmental Division				
Departmental Division	Revised Budget	Variance Month 9	Variance Month 7	Performance since last report
	£000	£000	£000	£000
Libraries Shared Services	2,678	56	56	□
TOTAL	2,678	56	56	□

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Libraries Shared Services		
Delay in progressing ideas to increase income. For instance, the Law Centre Occupancy in Hammersmith Library was expected for a full year, but the agreement has not yet been signed. It is forecast that there will now be 6 months' rental from this.	157	157
Mitigating actions in place which include reduction in stock spend of £76k, and vacancies which have been held, and possible use of "Ground Work London" for 12 week placements to fill some vacancies temporarily.	(101)	(101)
Total Libraries Shared Services	56	56
TOTAL VARIANCE	56	56

Table 3 - Key Risks - Detail Items Over £250,000
None to report

Supplementary Monitoring Information

The commercial opportunities are significantly behind target for the year. There have been delays to other schemes including workaries, and a café in Fulham Library. However, there is a carry forward balance of £45k, as well as other one off credits in the year which have reduced this forecast variance on the Commercial opportunities.

Programme support as well as working closely with Property and Commercial is helping to push through initiatives and to ensure that there are further mitigating activities and to ensure that the full savings can be achieved going forward.

A mitigating action plan has been put in to place, which has resulted in a reduction in the overspend of £101k to £56k. This includes a reduction in stock spend of £76k, and also vacancies that have been held in the year, with the possibility of using the Ground Work London scheme to temporarily fill some of those vacancies at a reduced cost.

**APPENDIX 8: PUBLIC HEALTH SERVICES
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 9**

Table 1 - Variance By Departmental Division				
Departmental Division	Revised Budget	Variance Month 9	Variance Month 7	Performance since last report
	£000	£000	£000	£000
Sexual Health	5,554	(197)	(109)	↑
Substance Misuse	4,570	(882)	(354)	↑
Behaviour Change	2,411	(277)	(445)	↓
Intelligence and Social Determinants	33	10	10	→
Families and Children Services	6,215	(82)	(64)	↑
Public Health Investment Fund (PHIF)	4,162	0	0	→
Salaries and Overheads	160	391	411	↑
Transfer Payments	1,175	254	19	↓
Drawdown from Reserves	(1,813)	832	581	↓
S113 Income	(127)	(49)	(49)	→
Public Health – Grant	(22,338)	0	0	→
TOTAL	0	0	0	→

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Sexual Health		
Genito Urinary Medicine - forecast based on block contracts as reconciliations haven't yet been provided to the Council.	289	289
Young People's Services - activity now monitored in Public Health Investment Fund.	(237)	(227)
Lot 2 Sexual Health Screening - contract was finalised after budget setting.	244	314
Lot 1 Contraception and Support - contract was finalised after budget setting.	(128)	(76)
Release of risk fund.	(365)	(409)
Total Sexual Health	(197)	(109)
Substance Misuse		
Detoxification and Residential Placements - savings from changes in practice to be monitored.	(215)	(215)
Community based services - budget to be realigned based on new agreements.	(182)	(91)
Reducing Reoffending - standalone pilot ended and existing contract will continue work resulting in efficiency saving.	(402)	(68)
Release of risk fund.	(83)	20
Behaviour Change	(882)	(354)
Community Champions - match funding secured for some	(56)	(97)

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
projects.		
Health Trainers - Contract ended in December. Forecast includes final invoice.	(397)	(389)
Smoking Cessation - performance incentive is forecast to be triggered.	135	0
Other Minor Variances.	41	41
Total Behaviour Change	(277)	(445)
Intelligence and Social Determinants		
Pharmaceutical Needs Assessment cost greater than budget.	10	10
Total Intelligence and Social Determinants	10	10
Families and Children Services		
0-5 Health Visiting Programme - forecast increased until current year charges are agreed.	136	136
Obesity and Dietetics - underspends in childhood obesity due to delayed initiatives.	(183)	(160)
Other Minor Variances.	(35)	(40)
Total Families and Children Services	(82)	(64)
Salaries and Overheads		
Overheads correction. for	596	381
Total Salaries and Overheads	596	381
Drawdown from Reserves		
Transfer to reserve to reduce the operating balance to zero.	832	581
Total Drawdown from Reserves	832	581
TOTAL VARIANCE	0	0

Table 3 - Key Risks - Detail Items Over £250,000
None to report

Supplementary Monitoring Information
For the year-to-date, savings have been realised in all re-procured activity (Health Visiting, Sexual Health and Substance Misuse), with further savings to be realised in GUM. As GUM has large block contracts with quarterly reconciliations, the forecast is expected to reduce as any under-performance is known. Any underspends detailed in the monitoring will have the effect of prolonging the life of the Public Health Reserve due to a lower sum being required for the current year.

APPENDIX 9: CENTRALLY MANAGED BUDGETS
BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 9

Table 1 - Variance By Departmental Division				
Departmental Division	Revised Budget	Variance Month 9	Variance Month 7	Performance since last report
	£000	£000	£000	£000
Corporate & Democratic Core	3,529	0	0	→
Housing and Council Tax Benefits	(328)	0	0	→
Levies	1,570	(36)	(36)	→
Net Cost of Borrowing	32	500	500	→
Other Corporate Items (Includes Contingencies, Insurance, Land Charges)	4,730	(476)	(426)	↑
Pensions & Redundancy	8,688	(105)	(100)	↑
TOTAL	18,221	(117)	(62)	↑

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Levies		
Other Minor Variances	(36)	(36)
Total Levies	(36)	(36)
Net Cost of Borrowing		
Interest rates remain at historically low levels. However, a 0.25% increase in the Bank of England base rate has resulted in a more favourable forecast for future investment income.	500	500
Total Net Cost of Borrowing	500	500
Other Corporate Items (Includes Contingencies, Insurance, Land Charges)		
The housing market continues to be sluggish. Income to the end of December support this prognosis and an overspend of £200k is forecast.	200	250
A central budget is held for NNDR inflation. Analysis of the charges for 2017/18 indicate there will be an underspend of £390k on this budget.	(390)	(390)
Contingency budget has been increased due to Business rate income for 2017/18 being higher than originally budgeted. This will be used to mitigate other spending pressures within Centrally Managed Budgets.	(249)	(249)
Other Minor Variances.	(37)	(37)
Total Other Corporate Items	(476)	(426)

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
(Includes Contingencies, Insurance, Land Charges)		
Pensions & Redundancy		
Spend on unfunded pension costs is less than budget. The unfunded pensions costs relate to redundancy decisions made in the past that had an unfunded element related to the pension fund.	(105)	(100)
Total Pensions & Redundancy	(105)	(100)
TOTAL VARIANCE	(117)	(62)

Table 3 - Key Risks - Detail Items Over £250,000
None to report

Supplementary Monitoring Information
The balance of unallocated contingency after allowing for current commitments is £1.1m.

APPENDIX 10: HOUSING REVENUE ACCOUNT

BUDGET REVENUE MONITORING REPORT – 2017/18 MONTH 9

Table 1- Variance By Departmental Division				
Departmental Division	Revised Budget	Variance Month 9	Variance Month 7	Performance since last report
	£000	£000	£000	£000
Housing Income	(76,283)	(531)	(416)	↑
Finance and Resources	13,567	(514)	(422)	↑
Housing Services	13,636	(691)	(308)	↑
Property Services	2,880	1,381	955	↓
Housing Repairs	14,768	1,279	1,253	↓
Housing Solutions	114	50	119	↑
Housing Strategy	256	0	0	→
Adult Social Care	48	0	0	→
Regeneration	355	198	196	↓
Safer Neighbourhoods	622	0	0	→
Capital Charges	26,784	(709)	193	↑
Revenue Contribution to Capital	4,635	0	0	→
(Contribution to) / Appropriation From HRA	1,382	463	1,570	↑

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Housing Income		
This relates to better than expected void performance on rents and tenant service charges for Council homes (from a budgeted figure of 1.3% to a forecast outturn of 1.1%) and tenant service charges (£327k in total), commission earned following an agreed variation to the contract with Thames Water (£581k) and additional income from commercial property following the backdated renewal of leases (£31k) offset by a reduction in the forecast for advertising hoarding income of £400k due to delays and contractual issues.	(539)	(416)
Minor variances in relation to fees and commission within the commercial portfolio.	8	0
Total Housing Income	(531)	(416)
Finance and Resources		

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
This relates mainly to delays in recruitment for the Finance and Resources division (£256k), a delay in a scheme to encourage direct debit take up (£138k), lower legal costs due to effective tenancy sustainment activity reducing the need for possession claims (£65k) within the Rent Income team, an underspend on legal budgets (£71k) and underspends on printing, postage and publications (£56k). These underspends are off-set by an expected overspend of £56k on business rates.	(530)	(422)
Minor Variances	16	0
Total Finance and Resources	(514)	(422)
Housing Services		
Lower than budgeted decant volumes has resulted in a fall in the cost of placing decanted tenants into temporary accommodation (£172k). There is an underspend on incentive payments to encourage tenants to downsize to smaller homes (£146k) which is mainly due to a lack of homes that meet the requirements of potential tenants and lower than expected interest from tenants. Further, following the completion of the feasibility stages of the Estate Parking Project, there is an expected underspend of (£95k). An underspend anticipated on the Estate Playsites inspection and maintenance budget (£83k) due to fewer maintenance and refurbishment works required. Lower than expected expenditure on resident involvement activities including resident training, activities and events and service improvement groups (£80k). Rental income targets at Edward Woods Hub Offices are forecast to improve due to an increase in the number of lets agreed in the year (£25k). Estate ground maintenance costs are expected to underspend by (£70k) this year.	(671)	(323)
Minor Variances.	(20)	15
Total Housing Services	(691)	(308)
Property Services		
Fire Safety Plus Expenditure - additional plans to enhance fire safety for the residents of the Council's homes have been put in place. These costs include the additional staffing and professional consultancy costs associated with developing and delivering the Fire Safety Plus programme which we have been unable to capitalise under accounting regulations. Whilst it is expected that the costs of investment in the Council's homes are charged to capital, the revenue costs will be updated as a programme of significant investment and funding is further developed in the coming months.	748	396

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
The latest review of Property Services indicates a forecast overspend on core staff costs of £503k. In addition, overspends on compensation costs of £38k and shortfalls in income from rechargeable work of £95k and insurance recovery of £154k are expected. These are offset by underspends on core service running costs (£124k) and managed repairs and other contractors (£33k).	633	559
Total Property Services	1,381	955
Housing Repairs		
The out of scope element of the repairs contract with MITIE is predicted to overspend by £674k. This is due mainly to an increase in the identification by MITIE of the number of chargeable jobs, increases in void costs and increases in the number of disrepair cases. The balance of the overspend is due to fire safety related work.	926	674
MITIE continue to charge the Council for additional services that should have been discontinued at the end of last year. Officers are working with MITIE to resolve the situation.	353	579
Total Housing Repairs	1,279	1,253
Housing Solutions		
This relates to a shortfall on rental income for Hostels due to the decanting of Lavender Court required following Cabinet's approval to dispose of the land at Lavender Court under a land sale agreement which will enable the development of 60 new affordable homes. This money may be recoverable from the developer but this can not be confirmed until contracts are signed.	63	50
This relates to a review of the bad debt provision for hostels (£30k), an expected underspend due to lower than budgeted hostel voids (£35k), and a further underspend on hostel repairs (£17k).	(82)	0
This follows a review of the time spent by the Assessment Team between activities relating to the General Fund and Housing Revenue Account.	53	53
Minor Variances.	16	16
Total Housing Solutions	50	119
Housing Strategy		
Minor Variances	0	0
Total Housing Strategy	0	0
Adult Social Care		
Minor Variances	0	0

Table 2 - Variance Analysis		
Departmental Division	Month 9 £000	Month 7 £000
Total Adult Social Care	0	0
Regeneration		
Delays on Housing Development capital projects including Spring Vale and Jepson House have meant that the amount capitalised for regeneration staff time has been lower than predicted when the budgets were produced.	192	192
Earls Court - minor overspend as a result of costs that were previously thought to be Capital Spend but now cannot be capitalised as its now clearer what the nature of the spend is.	6	4
Minor Variances.	0	0
Total Regeneration	198	196
Safer Neighbourhoods		
Minor Variances.	0	0
Total Safer Neighbourhoods	0	0
Capital Charges		
The forecast for interest earned from HRA balances has been reduced by £245k as instead the cash has been used for internal borrowing this year with the advance receipts from the Earls Court regeneration programme being used to finance the HRA capital programme. These receipts can not be recognised and used to reduce the capital financing requirement until the land transfers from the HRA to the developer have been completed. The reduction is also caused by the plan to use HRA balances to contribute £10m to the Fire Safety Plus investment programme. Following a review of the basis of the depreciation calculation, it is expected that there will be a reduction in the depreciation charge this year of (£998k). This is mainly due to a review of the useful economic lives assigned to housing assets. There is a reduction in the income expected from discounts on HRA loans of £48k. This is partially offset by a number of other minor variances of (£4k).	(709)	193
The budget for revenue contributions to capital of £2.464m is forecast to include an additional £2.170m due to additional funding required for the Fire Safety Plus Programme. This additional spend has been approved by Full Council on 18th October 2017 and therefore a virement has been made to allow for this.	0	0
Minor Variances.	0	0
Total Capital Charges	(709)	193
(Contribution to) / Appropriation From HRA	463	1,570

Table 3 - Key Risks - Detail Items Over £250,000			
Risk Description	Risk At Month 9 £000	Risk At Month 7 £000	Risk Management Since Last Report £000
This relates to the potential for additional fire warden costs.	394	0	↓
There is a risk that Out Of Scope costs may not be recoverable from insurers. Property Services are currently liaising with the insurance companies.	184	0	↓
Refunds to tenants as a result of the Southwark Water judgement. A £10m contingent liability has been included in the accounts and the majority of this risk is covered from earmarked reserves. There remains a residual risk that would apply in very limited circumstances of £600k.	600	600	→
Following the disaster at Grenfell Tower, additional plans to enhance fire safety for the residents of the Council's homes are being put in place. One of these enhancements is free replacement appliances for tenants and leaseholders whose electrical appliances fail electrical safety testing. The costs are currently being finalised but are expected to be in the range of £20k to £300k (reduced from £6.0m). There may also be other revenue costs as a result of this programme. Costs will be updated as a programme of significant investment and funding is updated.	300	500	↑
A review of revenue repair costs and volumes on the out of scope element of the MITIE repairs and maintenance contract indicate that there remains a risk of an further overspend this year in addition to that declared above. Officers are reviewing the position monthly in detail.	500	500	→
TOTAL RISKS MANAGED	1,978	1,600	

APPENDIX 11 - VIREMENT REQUEST FORM
BUDGET REVENUE MONITORING REPORT – Month 9


Details of Virement	Amount (£000)	Department
GENERAL FUND:		
Improved Better Care Funding – income Re-allocate Improved Better Care to Service Budgets.	(4,309) 4,309	Adult Social Care Adult Social Care
Drawdown from Tri-borough Facilities Management (TFM) reserve to realise Commercial Contract Management Saving.	500 (500)	TFM Reserve Commercial Directorate
Transfer of Waste Management and Street Scene Enforcement Budgets to Commercial Directorate.	11,757 (11,757)	Commercial Directorate Environmental Services
Draw down from Efficiency Reserve to fund new Landlord Licensing schemes as part of Decent Homes Smarter Budgeting savings plans. The business case approved a drawdown of £665k. The forecast is that only £385k will be required as a draw down this year, but this may change before year end depending on actual income levels.	Up to (665) Up to (665)	Centrally Managed Budgets Environmental Services
Total General Fund requests (Debits)	17,231	
HRA		
Adjustment to budget for increased revenue contribution to capital.	2,171	Capital Charges
Adjustment to budget for increased revenue contribution to capital.	(2,171)	Contribution from HRA Reserves
Total HRA Requested Virements (Debits)	2,171	

APPENDIX 12 – CORPORATE EARMARKED RESERVES FORECAST AS AT DECEMBER 2017

	<u>Balance At 31March 2017</u>	<u>Budgeted Contributions 2017/18 and 2018/19</u>	<u>Already Committed</u>	<u>Balance Available</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Corporate				
Dilapidations/Office Moves	(3,327)	(138)	605	(2,860)
Civic Accommodation	(516)		250	(266)
Business Board Contingency	(1,080)			(1,080)
Computer Replacement Fund	(1,000)			(1,000)
MTFS Delivery Risk	(5,625)			(5,625)
Corporate Demand Pressures	(7,531)		2,244	(5,287)
Council Tax Discount Administration	(270)			(270)
Debtors/Creditors Review	(619)			(619)
Efficiency Projects Reserve	(15,950)	(3,642)	13,684	(5,908)
Human Resources Reserve	(920)			(920)
IT Infrastructure	(2,389)	(1,600)	2,707	(1,282)
Managed Services	(279)		279	0
NDR Deficit Support	(3,208)			(3,208)
Redundancy Reserves	(3,747)			(3,747)
VAT Reserves	(2,500)			(2,500)
White City Neighbourhood	(135)			(135)
Unallocated Contingency	(98)			(98)
Individual Electoral Registration	(195)			(195)
Customer Service	(450)			(450)
Stock Option Appraisal	(,009)			(1,009)
Housing Benefit	(2,248)			(2,248)
3SIF Grant Reserve	(1,008)			(1,008)
Total Corporate	(54,104)	(5,380)	19,769	(39,715)

APPENDIX 13 – CORPORATE RESERVES CONSOLIDATION

	Reserve at 1/4/17	Budgeted Contributions	Current Commitments	Balance Available
	£'m	£'m	£'m	£'m
Property (includes current dilapidations budget and Civic Accommodation Reserve)	6.0	0.1	(0.8)	5.3
People (includes Redundancy and HR Reserve)	4.0			4.0
Managed Services (includes current pressures and transition)	12.0		(2.5)	9.5
Technology (Includes IT)	4.0	1.6	(2.7)	2.9
Invest to save/Transformation	16.0	3.6	(13.7)	5.9
Financial Resilience (covers NDR/VAT/HB etc)	3.0			3.0
Third Sector Investment	1.0			1.0
Corporate Demands and Pressures	8.1			8.1
Total	54.1	5.3	(19.7)	39.7

London Borough of Hammersmith & Fulham CABINET 5 MARCH 2018		 hammersmith & fulham
POLICY CHANGES TO THE COLLECTION OF COUNCIL TAX ARREARS		
Report of the Cabinet Member for Finance – Councillor Max Schmid		
Open Report		
Classification - For Decision		
Key Decision: Yes		
Wards Affected: All		
Accountable Director: Michael Hainge, Commercial Director		
Report Author: Michael Hainge, Commercial Director		Contact Details: Tel: 020 8753 6992 E-mail: Michael.hainge@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report seeks to implement a policy to formally end the use of bailiffs (enforcement agents) relating to the collection of council tax.
- 1.2. In addition, Cabinet is asked to agree a policy that no committal proceedings shall be used against any resident who owes council tax. This will mean that, as a matter of policy, the council will not seek to imprison someone for having a council tax debt.
- 1.3. In order to comply with public law requirements, the proposed policies in 1.1 and 1.2 above will apply except where there are no other possible enforcement routes available, and that the Cabinet Member for Finance approves the use of bailiffs or committal proceedings, taking into account all relevant factors, including the public interest.
- 1.4. In order to radically improve the ethical performance of council tax arrears collection, Cabinet is asked to agree that a pilot be commenced immediately concerning council tax arrears collection by utilising H&F's ethical debt business, LBHF Joint Ventures Limited and its sub-contractor, 1st Credit Limited. This can be achieved by utilising the framework contract H&F let to LBHF Joint Ventures Limited in 2017.

2. RECOMMENDATIONS

- 2.1. That Cabinet agrees to implement a policy to formally end the use of bailiffs (enforcement agents) relating to the collection of council tax.
- 2.2. That Cabinet agrees a policy that no committal proceedings shall be used against any resident who owes council tax. This will mean that, as a matter of policy, the council will not seek to imprison someone for having a council tax debt.
- 2.3. That the Cabinet agrees that a pilot on collections and management of council tax arrears (as defined in appendix 1) be commenced with LBHF Joint Ventures Limited and its sub-contractor 1st Credit Limited.
- 2.4. That Cabinet agrees funding of up to £80,000 for the pilot with the draw down of this funding delegated to the Strategic Finance Director in consultation with the Cabinet Member for Finance.

3. REASONS FOR DECISION

3.1. Stopping using bailiffs to collect council tax arrears

- 3.2. On 16th January 2017, the Cabinet agreed a procurement strategy for debt management in H&F. One of the key features of that strategy was “That our treatment of debtors to the council is consistent with highest possible ethical and regulatory standards”.
- 3.3. The use of bailiffs is at odds with this aim and there is a growing body of evidence that shows that the use of bailiffs can cause harm to individuals health and wellbeing and results in increased demand on other public services, such as health and housing. This is clearly neither in the interests of the individuals concerned nor the public interest more generally.

3.4. Stopping using committal proceedings as an enforcement tool

- 3.5. Although H&F has not sought to imprison any residents for non-payment of council tax since February 2017, the option remains open for the Council do so. This is at odds with the positions set out in paragraph 3.2.
- 3.6. Imprisonment (or even the threat of imprisonment) for a civil debt such as council tax has a very significant impact on the individual concerned and, from national research, the threat of imprisonment is often used by local authorities even when there is no realistic prospect of the Courts imposing such a penalty. This has wider implications in respect of harm to individuals and consequential costs to the wider public purse. Use of committal proceedings are therefore neither in the interests of the individuals concerned nor the public interest more generally.

- 3.7. The Financial Conduct Authority standards that are applied to the private sector, have completely banned any threats of enforcement action that are unlikely to be carried through, such as threats of a court summons when this would not or could not happen. Firms using such tactics would be likely to have their authorisations to operate removed.
- 3.8. In Scotland, Northern Ireland and the rest of Europe imprisonment is not a remedy available for civil debt.
- 3.9. Piloting council tax arrears collection with LBHF Ventures Limited**
- 3.10. Existing arrears collection processes in H&F (in common with many other councils) have fallen behind best practice in the private sector, fail to utilise modern technology (eg SMS texts or sophisticated identification of vulnerability) and are designed simply around statutory processes. As a result, customer focus is lost and the approach is somewhat adversarial.
- 3.11. Whilst there are some checks with Adult Social Care (which need to be preserved in future operations), there is no systematic approach in H&F to identifying or addressing issues of vulnerability, understanding the most appropriate or effective collections strategy by customer nor any attempt to segment overdue accounts. There is a recent case that bears this out, where a very vulnerable resident was subject to bailiff action, initiated by the council tax team, as a result of the failure to identify specific vulnerabilities.
- 3.12. By contrast, our ethical debt business (provided to the joint venture by 1st Credit Limited) utilises cutting edge technology – for example digital analysis of all phone calls for signs of vulnerability and customer sentiment – and has highly developed processes and quality assurance systems to ensure excellent treatment of customers.
- 3.13. 1st Credit also provide a very high level of training for their staff. Last calendar year staff received an average of 15.9 days training each. The company has highly effective policies and practices and has enjoyed multiple awards including:
- Best Conduct & Compliance Culture 2016 and 2017
 - Best Customer Service 2016 and 2017
 - Investors in Customers Gold rating 2014, 2015, 2016 and 2017
- 3.14. By using the council's own ethical debt business, LBHF Joint Ventures Limited sub-contracting to 1st Credit, to pilot collection and management of a sample of council tax overdue accounts, we can identify the potential to create a step change in performance.
- 3.15. This, in turn, will provide an excellent case study to sell this service to other local authorities. At present, the sales unweighted pipeline of ethical debt services to other local authorities is worth £7m. In order to

convert the pipeline into actual sales, evidence of our success and implementation in H&F is vital.

4. INTRODUCTION AND BACKGROUND

4.1. Cabinet approved the procurement strategy for debt management on 17th January 2017 and delegated the award of a subsequent joint venture framework contract to the Commercial Director.

4.2. There were four key features of the procurement strategy:

- 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.

4.3. After running a full OJEU competition and the evaluation of bids by a tender approval panel, 1st Credit Limited were awarded the contract. The joint venture company went live in early July 2017. The framework contract allows any public body, including H&F, to call off contracts to provide any service in scope of the original procurement.

4.4. From September 2017, the company has been collecting written off debt from former tenant arrears and penalty charge notices. The collection of housing benefit overpayments was delayed but began in January 2018. All collection activity has been carried out in accordance with Financial Conduct Authority rules – a standard that we have voluntarily applied.

4.5. Current statistics for council tax

	2016-17		2015-16
	Volume	Value	Volume
Reminders (1 st and 2 nd)	42,952	£6.6m	35,000
Final Notice	19,114	£11.7m	17,825
Summons	13,444	Not available	12,141
Liability Order	7,500	£5.6m	7,500
To Bailiffs	3,500	£2.7m	4,000

In 2016-17 bailiffs succeeded in recovering £800k.

- 4.7 The cost of each summons and related customer contacts is £86, and a further £22 for a Liability Order, which costs are added to the resident's bill. Bailiffs charge residents £75 for a letter and another £235 for visiting the resident's home. From the figures above in 2016-17, the average council tax debt (excluding £108 summons and Liability Order costs) was £666. The bailiff fees add another £310 to a resident's bill. This would rise by another £110 if a resident's belongings are taken and sold.
- 4.8 As a result, unpaid arrears can increase by as much as £528 regardless of the amount owed.

5. PROPOSAL AND ISSUES

- 5.1. By ceasing the use of bailiffs and the use of committal proceedings, the council will need to re-design its collection activities as they relate to overdue council tax.
- 5.2. The collection costs incurred by the joint venture are met by the Council. It follows therefore that the overall gross collections will need to exceed the current level to ensure that the net position is the same or better than current performance.
- 5.3. Our joint venture partner, 1st Credit, have a substantial and impressive track record in ethical debt collection and, through the joint venture, we can pass a sample of the collection and management of overdue council tax accounts to them as a pilot.
- 5.4. The only exception to this is where a court summons has to be issued. At this point, the case would be passed back to H&F staff for processing and, when the liability order has been granted, the case would pass back to 1st Credit.
- 5.5. At this point, there are no staffing implications.

Evaluation and research

- 5.6. The Association for Public Service Excellence (APSE) and the Local Government Association (LGA) have agreed to collaborate with H&F to carry out research on the wider implications of debt collection practices in the local government sector. This will build on research carried out by H&F's Business Intelligence team which has revealed a very strong correlation (particularly in London) between councils' use of bailiffs and the numbers of families in temporary accommodation.
- 5.7. The University of Lancaster's Department of Psychology are carrying out a qualitative research project on behalf of H&F (on a cost only basis) into the impacts of bailiffs and committal proceedings on H&F residents as well as the potential benefits of using the more ethical approach.
- 5.8. Officers have been working with the National Audit Office (NAO) to help them develop a scope for a significant project looking at the

impacts of public sector debt collection on UK citizens. In particular, the NAO wishes to explore the value for money implications of current practices, focussing on effectiveness and also consequential costs borne by the public sector and the economy as a whole. Officers have been asked by the NAO to assist them with the development of their investigation and development of the report.

- 5.9. The results of our pilot will help inform all of these research projects. A further report will be brought to Cabinet with the results of the ethical collection pilot and the research studies and will provide recommendations for future options.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. As an alternative, the council could continue to allow the use of bailiffs and the use of committal proceedings. However, this would be very much at odds with previous commitments made in the 16th January 2017 Cabinet report and, for the reasons set out in this report, would be against the interests of the individuals concerned and the public interest more widely.
- 6.2. The Cabinet could decide not to pilot the collection of overdue council tax with the joint venture company. In that event, the work on re-designing collection processes and procedures will be undertaken separately but the standard of treatment of customers in arrears is unlikely to be at the same high standard that could be achieved by agreeing a pilot, and the current net collection rates (after costs) may be at risk.

7. CONSULTATION

- 7.1. Senior officers have been consulted on this report.

8. EQUALITY IMPLICATIONS

- 8.1. There will be no negative implications for protected groups in the implementation of the proposed changes to council tax collection.
- 8.2. Implications completed by Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206).

9. LEGAL IMPLICATIONS

Policy

The Council's power to apply for a warrant committing a debtor to prison for non-payment of Council Tax is set out in Regulation 47 of The Council Tax (Administration and Enforcement) Regulations 1992. There is also guidance from the Department of Communities and Local Government in 2013, 'Guidance to local councils on good practice in the collection of Council Tax arrears'. This states that 'local authorities should ensure that clear information is provided about the enforcement

process to all residents and in particular to those in arrears'. The proposed policy is consistent with the guidance provided it allows for exceptions.

Proposed Contract

Previously, the Council tendered the ethical debt service which was won by LBHF Joint Ventures Limited. Therefore, the Council can contract services to LBHF Joint Ventures Limited.

Existing Contract

Any existing contract for services carried out by bailiffs does not obligate the Council to use such bailiffs to carry out enforcement services. Therefore, the proposal to cease using bailiffs does not breach any existing contract with bailiffs.

Implications completed by Angela Hogan, Senior Solicitor (interim), Tel. 020 7641 2780.

10. IT IMPLICATIONS

- 10.1. The change in policy does not have IT implications.
- 10.2. However, if the proposal is agreed then there will be differences in how the residents' data is managed. A Privacy Impact Assessment and review of the Information Sharing Agreement will be required to ensure the right controls are in place.
- 10.3. Implications verified by: Veronica Barella, interim Chief Information Officer, Telephone 020 8753 2927.

11. HR IMPLICATIONS

- 11.1. As a pilot there are no implications for the workforce, with existing resources supporting where necessary.
- 11.2. At the end of the pilot there will be an evaluation about the most appropriate process to follow to meet the objectives of our approach to ethical debt that may impact a small number of employees. If that is the case, the evaluation report and any future recommendations to Cabinet will include these implications.
- 11.3. Implications verified by Mark Grimley, Director of HR & OD, tel. 020 8753 1550.

12. FINANCIAL IMPLICATIONS

- 12.1. Council Tax is a significant source of income to the Council and is forecast to be £78.571m for 18/19. Of this the H&F element is £55.664m and the GLA element is £22.907m. The Budget Strategy assumes a collection rate of 97.5%. The in-year collection performance for 15/16 was 96.33% and for 16/17 was 96.98%.

- 12.2. The current cost of collecting council tax arrears is estimated at £478k.

Item	Cost £k
Officer time	369
Printing and Postage	69
Court Summons	41
Total	478

- 12.3. At present the costs of the pilot are unknown but will be based on activity carried out by 1st Credit to recover council tax arrears in the sample selected.
- 12.4. Until the results of the pilot are evaluated and a decision made on the future model for collection the pilot costs will be additional, unbudgeted costs as it will operate alongside the current collection model.
- 12.5. As per paragraph 5.9 a further report will be brought to cabinet with the results of the ethical collection pilot which will include a financial appraisal.
- 12.6. Implications verified by; Danielle Wragg, Finance Business Partner, tel. 0208 753 4287.

13. RISK MANAGEMENT

- 13.1 Councils have a duty to their residents to collect taxes as these fund crucial services, such as caring for the elderly, protecting vulnerable children, keeping roads and parks maintained and collecting bins.
- 13.2 Years of financial austerity imposed on Councils by National Government have increased pressure locally to collect funds so these vital services can be protected.
- 13.3 This pressure has resulted in an increased risk to people possibly being pushed even further into debt. The Money Advice Trust, which runs National Debtline, reported that more could be done for the vulnerable in debt.
- 13.4 Proposals to re-design the Council's collection activities may result in additional benefits as a proportion of current debtors may well become paying clients once again in the future.
- 13.5 By doing so, the proposals will help ensure that the debts are collected ethically. Fair debt collection practices are not only reflected in the professionalism of our collection, communication and remittance processes but also contributes to improving the impact of debt on mental health and wellbeing to potentially the most vulnerable.
- 13.6 Implications verified by: Michael Sloniowski, Risk Manager, telephone tel. 020 8753 2587.

14. COMMERCIAL IMPLICATIONS

- 14.1 The existing contracts with bailiffs for the collection of council tax put no obligation on the Council as to the volumes of work we give them.
- 14.2 The Council can contract with LBHF Joint Ventures Limited under a call-off contract relating to a framework procurement that was awarded to the Company in 2017. There are no further procurement implications.
- 14.3 Implications verified by Simon Davis, Head of Commercial Management, tel. 07920 503651.

15. BUSINESS IMPLICATIONS

- 15.1. The provider and their subcontractor will work with the Economic Development Team to explore the potential for creating local employment opportunities and opportunities for local SME suppliers.
- 15.2. Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.

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 Pilot definition

Appendix 1: Pilot Definition

1. Purpose

- a. To demonstrate that the LBHF Joint Ventures Limited Ethical Debt processes will deliver improvements on the existing H&F arrears collection processes in terms of an overall assessment of the following criteria:
 - i. The volume and cost of formal arrears notices issued (Reminders, Final Notices, Summons, Liability Orders).
 - ii. The value of collections achieved without enforcement action (i.e. payments made before issue of a summons).
 - iii. The number of residents subjected to the detrimental impacts of existing enforcement actions (summons, liability orders and bailiffs), which are known to cause distress and in some cases negative impacts on health wellbeing and to increase demand (and costs) for public sector services.
 - iv. Resident satisfaction with the way the council collects council tax.
 - v. Assurance of council tax collection levels.
 - vi. Net financial benefit (accounting for cost of collection and collection values) received by H&F.
- b. To enable the JV to test and refine the collection processes and collection strategies based on actual cases, to allow optimisation of collection efficiency and collection levels.
- c. To enable the JV to baseline collection levels, costs and customer satisfaction allowing effective comparisons and assessment of improvements.
- d. To provide evidence of improvements, which can then be used as collateral in support of efforts to sell the JV services to new customers (generating new revenue for the JV and therefore H&F as the majority shareholder).

2. Scope

- a. 2017/18 Council Tax arrears. Collection activities for a significant proportion of all remaining arrears to be transferred to LBHF Joint Ventures Limited as soon as possible.
- b. Collection arrears defined as: an account where there has been a default on a standard or other pre-agreed payment plan.

Transfer to take place before the next scheduled formal notice is issued (Reminder, Final, Summons etc.) and for any and all cases

with outstanding arrears returned from the bailiff as soon as practical before any further action.

- c. 2018/19 Council Tax arrears. The definition of arrears for the 2018/19 Council Tax is the same as for 2017/18 council tax. However, it is proposed that the pilot will be limited to 10% of all accounts that go in to arrears.
- d. The 10% sample will be randomly selected from all accounts, that go in to arrears at First Reminder stage and encompass all subsequent recovery activity, which may include requesting Reminder or Final notices or Summons and Liability Orders are issued by H&F systems. In the event of a summons being issued, then the case would transfer back to H&F for that, returning to the JV for on-going processing after the issue of the Liability Order.
- e. The 10% sample will be determined based on selecting random account numbers, not on the basis of any history of previous default to ensure it is possible to make a like for like comparison with the existing H&F process.


3. Timetable

- a. 2017/18 council tax arrears
 - i. These will be transferred immediately the JV confirms readiness to take on the accounts.
 - ii. These accounts will continue to be managed by the JV until all that year's accounts are paid or the accounts returned to H&F.
 - iii. There will be monthly progress checks for the 2017/18 council tax arrears pilot.
 - iv. The performance of the 2017/18 arrears pilot will be assessed when all of that year's accounts are paid or returned.
- b. 2018/19 council tax arrears.
 - i. These will be transferred at the time the formal 1st Reminder Notice becomes due and is added to the 'pre-list' before that formal notice is issued (i.e. when an account has been identified as having defaulted on a standard or pre-arranged payment plan).
 - ii. These accounts will continue to be managed by the JV until they are paid or returned.
 - iii. There will be monthly progress checks for the 2018/19 council tax arrears pilot.

- iv. The performance of the 2018/19 arrears pilot will be assessed after 3 months (end of June 2018) and then again after 6 months to decide if the new process should be extended to all council tax accounts.

4. Evaluation criteria

- a. As part of the pilot, data on the following will be gathered in respect of both the existing council tax collection performance and of the pilot to enable a like for like comparison:
 - i. The volume and cost of formal arrears notices issued (Reminders, Final Notices, Summons, Liability Orders).
 - ii. The value of collections achieved without enforcement action (i.e. payments made before issue of a summons).
 - iii. The number of residents subjected to the detrimental impacts of existing enforcement actions (summons, liability orders and bailiffs).
 - iv. Resident satisfaction with the way the council collects council tax.
 - v. Assurance of council tax collection levels.
 - vi. Net financial benefit (accounting for cost of collection and collection values) received by H&F.

London Borough of Hammersmith & Fulham CABINET 5 MARCH 2018		 hammersmith & fulham
IT TRANSITION PHASE 4 ASSURING SERVICE CONTINUITY – DESKTOP STRATEGY AND SOLUTION OPTIONS		
Report of the Cabinet Member for Finance - Councillor Max Schmid		
Open report A separate report on the exempt part of the Cabinet agenda provides financial information.		
Classification - For Decision Key Decision: Yes		
Wards Affected: (All Wards); All		
Accountable Director: Veronica Barella, interim Chief Information Officer		
Report Author: Adam Nyman, Transition Manager, IT services		Contact Details: Tel: 020 8753 4833

1. EXECUTIVE SUMMARY

- 1.1. The council needs a new desktop service to improve performance and to replace its current solution which expires in October 2018. The desktop service provides access to the council's applications and data.
- 1.2. The current desktop service supports thin clients (aka virtual desktops, white boxes); thick clients (desktops and laptops capable of working offline); and Bring Your Own Devices (BYOD). It is also end of life and performance is below what is needed by users.
- 1.3. This paper evaluates three strategic options for the desktop service, and three procurement options should the virtual desktop infrastructure (VDI) strategic options be selected.

2. RECOMMENDATIONS

- 2.1. To approve the strategy of one mobile device and a smartphone per member of staff.

- 2.2. To approve the strategy for desktop service provision based on a solution of non VDI thick clients (option 2) which will support the council's strategy to have a mobile workforce while delivering the greatest reduction in annual running costs.
- 2.3. To note the projected annual saving up to £1.4m for option 2 thick client solution from 2019/20.
- 2.4. To approve business change resource required for 12 months to undertake change management relating to the new desktop service including Windows 10, exploiting Office 365, increasing the use of mobile telephony, migrating file shares to SharePoint, and migrating Outlook public folders to O365.
- 2.5. To delegate to the Strategic Finance Director, in consultation with the Cabinet Member for Finance and the interim CIO, the decision on the extension of current desktop support contract for up to 12 months to enable the safe transition from the current service. This extension is still under negotiation and will be confirmed by 31st March 2018.
- 2.6. To delegate to the Strategic Finance Director, in consultation with the Cabinet Member for Finance and the interim CIO, the extension of current foundation services provided by Agilisys IaaS for up to 6 months.
- 2.7. To delegate to the Strategic Finance Director, in consultation with the Cabinet Member for Finance and the interim CIO, the selection of the end point device catalogue and the desktop support costs.

3. REASONS FOR DECISION

- 3.1. The council needs a desktop strategy which supports its ambition for better performance, agile working (particularly during renovations to the Town Hall), delivers savings and replaces its current end of life desktop solution.
- 3.2. A decision is needed in March 2018 in order to develop and implement the new desktop service by January 2019 to support the Town Hall decant. Any implementation is likely to take 9 to 12 months from decision so the timeline is tight.
- 3.3. Notice on the current desktop contract needs to be given by 31st March 2018 in order to exit by 31st October 2018 or renew for a further year.
- 3.4. To ensure continuity and minimise risk to the council's services, the IT service is recommending that the council continues its contracts with BT and Agilisys for up to another 12 months to allow parallel running while the new service is implemented and staff migrated across.

4. PROPOSAL AND ISSUES

Background

- 4.1. In May 2017 a Leader's Urgency paper entitled "IT transition phase 4 assuring service continuity – adoption of a desktop strategy, a procurement strategy, and the supporting business case" was approved. This paper set out the desktop strategy, the outline business case for one-off investment in 2017 for the new infrastructure with a further one-off investment in 2020/21, and the procurement approach. Cabinet also agreed to a delegated report for information relating to the award of the design of desktop contract in July 2017 to the Strategic Director of Finance, in consultation with the Cabinet Member for Finance. This investment was calculated on the assumption the council would still use a thin client solution, based on a virtual desktop.
- 4.2. However, analysis by IT services has identified potential additional cost-saving opportunities through the development of a desktop service based on physical PCs rather than the current virtual desktop implementation, and therefore consideration by Cabinet is needed to fund the investment to make these further annual savings possible. Two key factors have resulted in the change in recommendation from virtual to physical desktops:
- The assumptions for the original estimates for the replacement virtual desktop infrastructure was based on virtual servers. Following the design phase, the third-party supplier advised that physical servers are required in order to deliver the required improvements in performance for staff. Moving to physical servers significantly increases the initial investment required, but it leads to annual savings and improved performance.
 - The original assumption for the device costs was based on Chromebooks which at the time were a relatively immature product. As these devices have evolved to become enterprise ready, they have increased in price to be comparable with physical laptops/desktops.
- 4.3. The council in option 2 has considered moving to physical desktops alone. While this would improve performance and agility, it has the limitation of not providing support provided for BYOD, for instance when staff are working from home. However, this is the lowest cost solution.
- 4.4. In option 3, IT services has included an additional solution called Workspace One, together with Horizon Cloud services. This would allow the council to use primarily thick client solutions (individual laptops) while retaining the flexibility of BYOD. This combination enables secure remote access to a range of desktop applications from any device. Workspace One is a new technology from VMWare, the providers of VDI. It provides a cloud-based solution for delivering applications to devices which is agnostic of the device or the originating network. It supports BYOD and is a good solution for the council's ambition to work flexibly.
- 4.5. Gartner has an industry recognised "magic quadrant" which categorises the different types of technology which can deliver this capability. Workspace One is seen as a leader in this field as it is innovative and feature rich. The other technology we would consider is Microsoft's Intune with Azure Active Directory Premium but that currently can only handle the small subset of the council's applications which do not need a client installation on the desktop.

- 4.6. The new desktop strategy will deliver:
- Improved desktop performance in speed and stability
 - Contribution of £1.4m from 2019/20 to IT savings
 - Support for the council's strategic direction of travel to deliver more services within the community by changing our desktop strategy to provide a mobile device for each member of staff
 - Support for modern ways of working including flexible working for all from any location and at any time using corporate devices
 - Support collaborative working by building on capabilities of Office 365 which can be accessed from both corporate and BYOD devices
 - De-risk the Town Hall decant by providing capability to work from anywhere
 - New desktop support service after April 2019
 - Reduced need to print for majority of users, making other savings and environmental benefits possible
- 4.7. IT services has worked with SmartWorking II and consulted business services in developing the following desktop and end user requirements "Desktop Consultation Report 20170602":
- Light laptop provided - weight under 1.5kg
 - Device battery will last for approximately 8 hours
 - Maximum two devices per person policy, where approved. Lightweight laptop and a phone are standard offer
 - Guest Wi-Fi will be provided and upgraded Corporate Wi-Fi provision
 - IT services to provide a solution to ensure authenticated, secured, and encrypted data
 - BYOD is possible or a pool of laptops will be available for business priority
 - 24" monitor, large enough to display two screens, mouse & keyboard
- 4.8. IT services has undertaken analysis on how staff access business applications via the desktop and device. The top 15 business applications are all accessed from the corporate network. In fact, only Office 365, PAWS (Pertemps) and Agresso (but not via iPADS) can be accessed directly over the internet without requiring the user to log on to the corporate network first. For further detail see table in Appendix 3 (contained in the exempt agenda).
- 4.9. The longer-term strategy is to move away from on-premise hosted applications but we are dependent on the vendors offering a hosted solution and delivering the application via a web browser over the internet. The vendor will also be required to deliver a secure solution to access via the web and internet to meet the Council's security requirements and policies.

- 4.10. The Council's procurement strategy is for applications to be externally hosted, but with over 150 business applications this will take 4 years or more to implement. There will be a tipping point at which a different desktop solution can be considered, and in 4 years' time the council may be able to consider Desktop as a Service with reduced dependence on corporate infrastructure.
- 4.11. An externally hosted application is not a guarantee that the application has been designed to work directly over the Internet. In most cases, security policy dictates access is from the corporate network via an encrypted link, i.e. Mosaic which is used by Children's and Adults'.
- 4.12. In summary, most staff need their desktop to access business applications from the corporate network or via a secure remote access route to the corporate network when access is required remotely.
- 4.13. Additionally, the new desktop strategy will support staff to do home visits and deliver outreach, employment and welfare advice and tutoring as portable devices help council staff to better access communities; integrate them, settle new residents and build cohesive and prosperous communities. The council will investigate how S106 funding can help support this initiative.

5. OPTIONS AND ANALYSIS OF OPTIONS

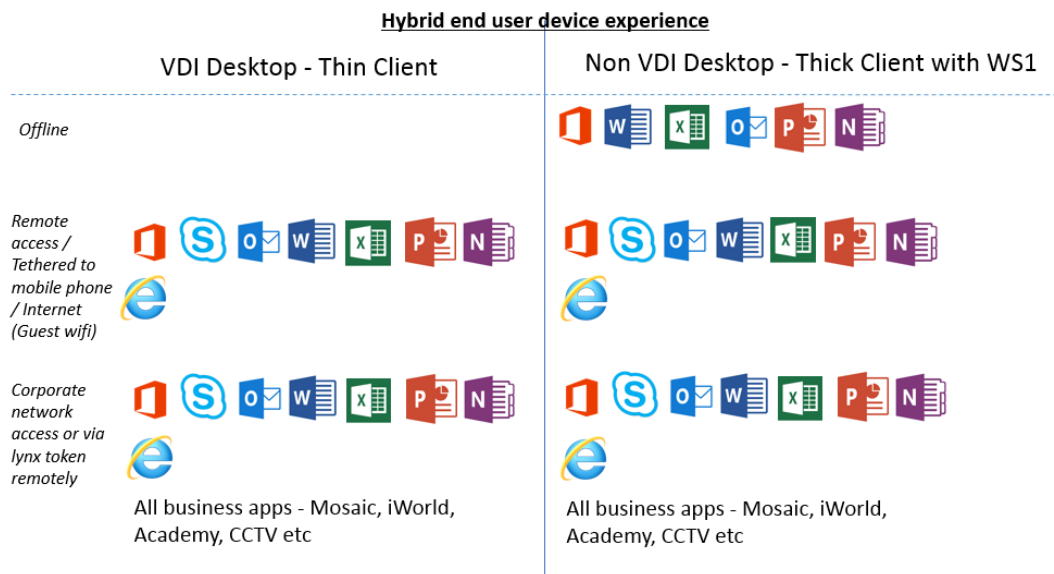
- 5.1. The council is considering the following options in evaluating its strategic approach to the provision of desktop services:
- **Option 1:** Maintain a VDI desktop through which staff can access their files and business applications from a flexible variety of devices, including H&F-issued hardware and BYOD. There will be a small subset of staff, up to 300, who will need a thick client desktop for reasons of specific application requirements
 - **Option 2:** Change to a thick client estate, in which staff are issued with specific hardware through which the desktop will be accessed. There will be a catalogue of council devices available which is likely to include a laptop, a convertible tablet (a device capable of operating as either laptop or tablet), and iPADS. The device catalogue is to be confirmed.
- 5.2. **Option 3:** Change to a thick client estate with Workspace One (or similar technology), in which staff are issued with corporately-supported devices through which the desktop will be accessed and will also deliver access to their files and business applications from a flexible variety of devices, including BYOD. The following table identifies the key differences between the options.

1: VDI mobile devices	2: Laptop/mobile devices	3: Laptop/mobile devices with WS1
More flexibility – fully supports BYOD, staff can access their common full	Staff can access only Office 365 from BYOD	More flexibility – mostly supports BYOD, staff can access a wide range of

1: VDI mobile devices	2: Laptop/mobile devices	3: Laptop/mobile devices with WS1
desktop from any device		applications from any device
BYOD enables access to Office 365 AND other software that can be used through browsers, which is increasingly the trend with applications.	BYOD enables access to Office 365 AND other software that can be used through browsers, which is increasingly the trend with applications.	BYOD enables access to Office 365 AND other software that can be used through browsers, which is increasingly the trend with applications.
Work remotely with full user experience across council owned and personal devices	Work remotely with full user experience across council device only	Work remotely with full user experience from council owned devices and access a wide range of applications from personal devices
No or limited offline working, requires internet access on the device.	Can work offline if no internet access available, can be used to take any notes and save on the device, i.e. Office 365 products. Most business apps are not capable of offline working	Can work offline if no internet access available, can be used to take any notes and save on the device, i.e. Office 365 products. Most business apps are not capable of offline working
VDI uses a central back end that hosts virtual machines. Easier to maintain and manage.	Traditional laptops are comprised of more components compared to a VDI desktop. Requires more management than VDI.	Traditional laptops are comprised of more components compared to a VDI desktop. Requires more management than VDI, and additional management of application delivery via WS1
Security - easier to provide robust protection for corporate network for mobile access	Security - requires additional work and more complex on-going management	Security - requires additional work and more complex on-going management, with increased complexity of WS1
Support requires procurement via Crown Commercial Services (CCS) - more complex and longer timescales to deliver	Straight-forward procurement from BT under the existing LOT 1 framework.	Straight-forward procurement from BT under the existing LOT 1 framework.

1: VDI mobile devices	2: Laptop/mobile devices	3: Laptop/mobile devices with WS1
Contracting arrangements for this option could be more complex with multiple suppliers. Phoenix delivering service design, BT hosting infrastructure in existing data centres and support may be delivered by third supplier depending on outcome of procurement	One supplier responsible for the end-to-end desktop service and design	One supplier responsible for the end-to-end desktop service and design, with some increased complexity around responsibilities for application delivery.
Supports Office 365 collaboration tools	Supports Office 365 collaboration tools	Supports Office 365 collaboration tools
Supports access for third party suppliers	Third party suppliers such as Ethical Debt team, will require a H&F device to provide their service	Third party suppliers such as Ethical Debt team, will require a H&F device to provide their service

5.3. The following diagram summarises the end user device experience.



5.4. The following table compares high level requirements for VDI, non VDI thick client and non VDI thick client with WS1.

	High Level Requirements	Option 1 VDI	Option 2 Non-VDI Thick client	Option 3 Non-VDI Thick client with Workspace One
1	Performance	5	6	6

2	Flexibility – BYOD	7	2	6.5
3	Ability to work offline	1	7	7
4	Network security	7	6	6.5
5	Data Security	7	6	6
6	Supplier management chain	4	6	6
7	Cost of solution	3	7	5
8	Ability to support third party suppliers	7	5	5
9	Video conferencing	5	6	6
	Total Score	46	51	54

- 5.5. **Option 1 (VDI)** has advantages in terms of flexibility. A VDI desktop estate will have greater scope for users to bring their own devices, work remotely with a uniform user experience.
- 5.6. **Option 2 (non-VDI; thick client)** has the advantage of being significantly cheaper as well as having lower capital expenditure requirements. It will also require less complex contract management and supply chain to deliver the service.
- 5.7. **Option 3 (non-VDI; thick client with Workspace One)** has the advantage of being significantly cheaper than option 1 in terms of lower capital expenditure requirements. It will deliver additional savings, depending on the number of concurrent users needed on the system. It will also require less complex contract management and supply chain to deliver the service.
- 5.8. Workspace One with Horizon Cloud Services, or equivalent technology, will deliver the applications to the devices and create the greatest flexibility as it will support BYOD; allow off-line working if there is no internet connection; deliver better security than traditional option 2 laptops; and support the decant period and therefore de-risk the move from HTH and the extension.
- 5.9. In the case of a denial of service to an office building it will provide business continuity as the number of concurrent users can be flexed on a monthly basis.
- 5.10. Taking into account the overall functionality and the context of the financial pressures being experienced by all local authorities, the recommendation is to implement the laptop/mobile device solution (option 2- non VDI/thick client).
- 5.11. A detailed breakdown of the costs and benefits of each option can be found as Appendix 1 to this report (contained in the exempt agenda).

Non VDI / Thick client Procurement Route

- 5.12. Should Cabinet approve Option 2 or 3 above, it will follow the previously approved Cabinet paper entitled “IT Transition phase 4 assuring service continuity – Desktop support procurement options” as the procurement route for the support of its non VDI service:

- 5.13. **Procurement Route:** IT let a contract with BT under current Framework Agreement “ICT Services” procured by Westminster City Council in 2014, under Lot 1: Distributed Computing, Contract Notice: 2013/S 066-110653 for a desktop support service.

Recommended – solution delivers value for money, required savings and most compressed timetable for migrating to the new service.

- 5.14. **Procurement Route 2:** IT undertake a mini competition using the Crown Commercial Services (CCS) framework, Technology Services 2, Contract ID: RM3804, Lot 3: Operational Services. CCS has extensive IT framework agreements and public bodies are encouraged to call-off from them. Procuring using these frameworks is a recognised method for achieving a swift outcome and a good solution and is fully compliant with EU procurement regulations.

Not Recommended – mini-procurement required, additional time and delay to project timeline and exiting the current desktop solution; incurs additional costs and delays the achievement of annual savings.

VDI Procurement Routes

- 5.15. Should Cabinet decide upon Option 1 above, it will follow the previously approved Cabinet paper entitled “IT Transition phase 4 assuring service continuity – Desktop support procurement options” as the procurement route for the support of its VDI service:

- 5.16. **Procurement Route 1:** IT let a contract with BT under current Framework Agreement “ICT Services” procured by Westminster City Council in 2014, under Lot 1: Distributed Computing, Contract Notice: 2013/S 066-110653 for a desktop support service.

Not recommended – does not deliver value for money.

- 5.17. **Procurement Route 2:** IT undertake a mini competition using the Crown Commercial Services (CCS) framework, Technology Services 2, Contract ID: RM3804, Lot 3: Operational Services. CCS has extensive IT framework agreements and public bodies are encouraged to call-off from them. Procuring using these frameworks is a recognised method for achieving a swift outcome and a good solution and is fully compliant with EU procurement regulations.

Recommended – solution delivers value for money and required savings.

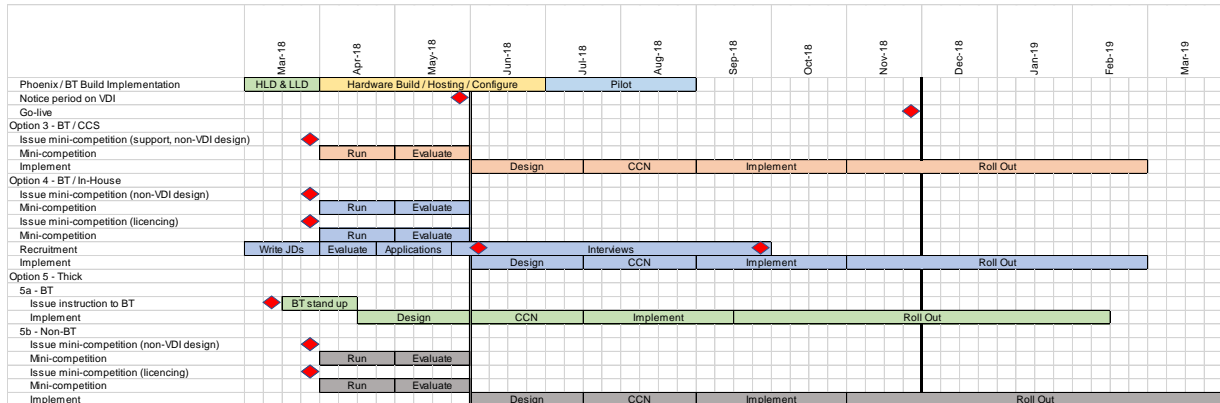
- 5.18. **Procurement Route 3:** The in-house IT team deliver the desktop support service, with recruitment needed for specialist desktop knowledge as the current IT team do not have the required skill set to support a desktop platform.

Not recommended – does not deliver value for money and carries additional risk in terms of developing an in-house team capable of supporting the solution within the timescales.

- 5.19. Following soft market testing for Desktop hosting and support services, IT services has compared the high level rough order of magnitude costs. A

summary of costs can be found in Appendix 1 (contained in the exempt agenda).

5.20. The draft high-level timeline options below is based on 5 March cabinet decision.



6. CONSULTATION

- 6.1. IT Services has discussed the requirements for the desktop strategy with the CEO, the council's property team, Director for HR, SLT, and the IT change management lead.
- 6.2. The desktop strategy and selection of appropriate mobile devices has been tested with Gartner at various points of its development.
- 6.3. Phoenix were engaged through a mini procurement to design the VDI solution.
- 6.4. The Phoenix design was then used in soft market testing to inform the costs for VDI.
- 6.5. The internal support solution was tested against other local authorities, specifically Wandsworth.
- 6.6. Verified by: Veronica Barella, interim Chief Information Officer, IT services, tel. 0208 753 2927.

7. EQUALITY IMPLICATIONS

- 7.1. The proof of concept or pilot stage and subsequent testing would elicit any issues with any solution proposed.
- 7.2. Staff who require specialist software will continue to be supported on the recommended solution.
- 7.3. Verified by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. There are no specific legal implications for the recommendations related to the proposed IT strategy, the funding and delegation.
- 8.2. Any procurement for the desktop services hosting and support services would need to be in compliance with the Public Contracts Regulations 2015 as amended. The use of CCS RM 3084 Lot 3 and WCC ICT Lot 1 frameworks, depending on the option preferred for such procurement, would, comply with the Council's obligations under the Public Contracts Regulations 2015 as amended.
- 8.3. Implications completed by: Babul Mukherjee, Senior Solicitor (Contracts), Shared Legal Services, tel. 02073603410.

9. FINANCIAL IMPLICATIONS

- 9.1. These are set out in the exempt part of the Cabinet agenda

10. IMPLICATIONS FOR BUSINESS

- 10.1. There are no implications for business.

11. COMMERCIAL IMPLICATIONS

- 11.1. The contracts quoted in VDI Procurement Routes 1 and 2 are existing procurement frameworks.
- 11.2. VDI Procurement Route 1: Framework Agreement "ICT Services" procured by Westminster City Council in 2014, under Lot 1: Distributed Computing, Contract Notice: 2013/S 066-110653.
- 11.3. VDI Procurement Route 2 would call off from: Crown Commercial Services (CCS) framework, Technology Services 2, Contract ID: RM3804, Lot 3: Operational Services.
- 11.4. The value of the contract is estimated to be above the threshold for services (currently £181,302). Both framework agreements have been let in accordance with statutory requirements. The call off complies with the Public Regulations 2015 and the Council's Contracts Standing Orders. Consequently, no further Contract Notice will be published in either OJEU/Tenders Electronics Daily (TED) nor in the UK's Contracts Finder as only the suppliers on the framework/lot will be invited to bid for this contract, according to the frameworks' rules.
- 11.5. The Council will ensure the process is fully compliant with the principles of openness and transparency. A Contract Award notice will be published in Contracts Finder once the contract is awarded and an entry made in the Council's Contracts Register.

- 11.6. There are no procurement implications for Option 2.
- 11.7. Verified by: Alan Parry, Procurement Consultant, tel. 020 8753 2581.

12. IT STRATEGY IMPLICATIONS

- 12.1. The new desktop strategy of a mobile device and a smartphone will unfetter staff from office buildings and will deliver the council's vision to enable its staff to work from any location at any time as required by the service.
- 12.2. The strategy exploits the benefits of Office 365 by allowing staff to connect to Office 365 applications without having to log into the council's network. Office 365 will be accessible through Wi-Fi or by tethering to the user's mobile phone.
- 12.3. The new mobile phone solution goes live in March 2018 and will deliver a combined data allowance for the council allowing the use of corporate smartphones to provide data hot spots for the mobile devices.
- 12.4. The VDI solution delivers the best security model because the device is locked down, desktop security patching is done centrally and no data sits locally on the device. However, the VDI solution does not deliver the best user experience because it always requires the member of staff to log into the network before they can do anything. The risk of data on the device can be managed through local encryption.
- 12.5. The VDI model will necessitate a more complex supplier chain management, and given current experience in a similar model, the issues of accountability and ownership are more challenging than in a single supplier environment
- 12.6. Implementing the new desktop strategy will need a change management programme to move people to the new, more mobile way of working, where the expectation is that staff will carry a phone and a mobile device wherever they are working.
- 12.7. Gartner advice has been sought to verify the findings of the IT service. They have confirmed that the council has understood the different advantages and disadvantages of the solutions and that where an organisation has already invested in VDI it would continue to derive value from this strategy. However, on a pound for pound comparison, a thick client solution generally delivers value for money and a better user experience.
- 12.8. The recommended mobile devices will be Windows devices and this recommendation has been substantiated by Gartner.
- 12.9. Gartner has also provided a strategic forward view of which devices are used in the enterprise to best support mobile working, and a small catalogue of devices will be selected through pilots with users.
- 12.10. A mixed environment of VDI desktops and VDI mobile devices has not been proposed as it does not fit the Council's strategy to promote mobile working

and the principles of Smarter Working II. This approach could save up to £400k in one-off expenditure on the VDI option but there would be hidden costs in the form of less flexibility in use of office space; and a mixed message given to staff about the importance of mobile working.

- 12.11. As part of the desktop strategy 24" monitors and keyboards will be installed on desks so that staff can work more efficiently. Up until now the assumption has been that the larger screens would be implemented as part of the Town Hall regeneration decant, but given that those timescales may not tie in with the desktop strategy it is recommended that the screens are delivered through this proposal. Until now the assumption has been that SWII will fund the cost
- 12.12. Verified by: Veronica Barella, interim Chief Information Officer, tel. 0208 753 2927.

13. RISK MANAGEMENT

- 13.1. Information Management and Digital Continuity is a risk identified on the Council's Corporate Risk Register. A timely decision is essential or legal and procurement impact, staffing impact and service failure are all more likely. These would impact negatively, if realised, on the following risks; managing in year and medium-term budgets; market testing and achieving the best possible services at lowest possible cost to the local taxpayer; Service Resilience; decision making and the consequential impact on the reputation of services.
- 13.2. A further risk is that of the complexity and risk in the programme generally. If the council is unable to identify and implement a new solution and services before the end of the current VDI contract (31 October 2018), given there is an associated risk that this contract cannot be extended beyond this end date, then there are commercial, procurement and service continuity risks to the council that it may be forced into a position whereby it has to try and extend the current contract or implement a rushed alternative solution that doesn't fully meet the council's needs
- 13.3. If the solution offered by BT and/or other suppliers from the CCS framework, including the council's IT services, cannot meet the council's key criteria of a referenceable solution, then there is a risk that the procurement process becomes extended until providers meet such criteria or the number of providers who can meet this becomes limited.
- 13.4. If the council cannot determine the strategy for the desktop support service by February 2018, then there is risk that the desktop service solution will need to be either extended which means strategy by default or the council will have no service after October 2018, a high risk to the council. The decision on strategy must be made now to allow a project which will take a minimum of 9 months to be implemented. If any proposed desktop support service does not include a clear accountable party for the end to end service any solution with multiple suppliers/components will have a significant risk of failure as a lack of clear

accountabilities and responsibilities potentially leading to gaps in service provision, incident, and problem management, etc.

- 13.5. As the current wireless provision is not suitable for the new desktop service, it must be upgraded in line with desktop timescales.
- 13.6. If any proposed desktop solution does not include a clear accountable party for the end to end service any solution with multiple suppliers/components will have a significant risk of failure as a lack of clear accountabilities and responsibilities potentially leading to gaps in service provision, incident, and problem management, etc.
- 13.7. If IT cannot replace temporary IT staff in key project positions quickly enough with permanent staff or if the council loses key staff, then there would be no IT staff with the right experience to share and knowledge transfer.
- 13.8. Overall the risk is that if the council cannot deliver the new desktop on time, the desktop service solution will need to be either extended which means strategy by default or the council will have no service after October 2018, a high resilience risk to the council. The timely award of the contract will facilitate successful delivery of a project which will take a minimum period of a year to be successfully implemented.

Verified by: Michael Sloniowski, Shared Services Risk Manager, tel. 0208 753 2587.

14. OTHER IMPLICATION PARAGRAPHS


- 14.1. Property, business intelligence, health and wellbeing, Section 106 and PREVENT implications have been considered and are not relevant.

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

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

LIST OF APPENDICES – contained in the exempt agenda:

- Appendix 1 – Options Analysis
- Appendix 2 – Cost Estimates
- Appendix 3 – Top 15 Applications – Staff Usage

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">5 MARCH 2018</p>	
<p>WEST KING STREET RENEWAL</p>	
<p>Report of the Cabinet Member for Economic Development and Regeneration – Councillor Andrew Jones</p>	
<p>Open report A separate report on the exempt part of the Cabinet agenda provides financial information.</p>	
<p>Classification: For decision Key Decision: Yes</p>	
<p>Consultation: Housing, IT, Property, Legal, Finance, Local Residents</p>	
<p>Wards Affected: Hammersmith Broadway</p>	
<p>Accountable Director: Jo Rowlands, Lead Director Regeneration, Planning & Housing Services</p>	
<p>Report Author: David Burns, Head of Housing Strategy</p>	<p>Contact Details: Tel: 020 753 6090 David.Burns@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The Cabinet Report of the 17th April 2017 King Street Regeneration Project: Termination of Development Agreement and Agreement for Lease Dated 19 March 2008 with King Street Developments (Hammersmith) Ltd, authorised the Council to end the previous arrangements and instructed officers to develop alternative proposals for the sites involved.
- 1.2. This report seeks the authority necessary to enter into Heads of Terms for the disposal of land to A2 Dominion Housing Association, to enable the regeneration of the Town Hall site and West King Street.
- 1.3. The proposals will provide new fit for purpose office accommodation for the Council, around 210 new homes 50% of which will be affordable housing for local residents, new B1 office and start up space, a new four screen cinema, shops, cafes and restaurants, a new public square and improved public realm.

- 1.4. The report explains the details of the legal structure and the enabling actions the Council needs to take for the project to be progressed.
- 1.5. A2 Dominion will submit a planning application, carry out and fund all elements of new build works, under the terms of the conditional land sale agreement as set out in the Heads of Terms. The Council will be responsible for the refurbishment of the existing Grade 2 Listed Town Hall Building.
- 1.6. The final terms of the agreements and the authority to enter into a conditional agreement for lease and associated documents, the associated enabling actions, the best consideration assessment, and business case including funding and any risks, will be the subject of a future cabinet report.

2. RECOMMENDATIONS

- 2.1. To delegate authority to the Lead Director for Regeneration, Planning and Housing, in consultation with the Cabinet Member for Economic Development and Regeneration, to complete negotiations with A2 Dominion Housing Association and their subsidiary companies A2 Dominion Homes Ltd and A2 Dominion Developments Ltd. with regard to the King Street Regeneration in order to enter into Heads of Terms.
- 2.2. To enter into Heads of Terms, once negotiations are completed, for the transfer of land at
 - 181 King Street,
 - Nigel Playfair Avenue,
 - 207 King Street, and
 - the Town Hall Extension,
 - (all of which is shown edged red in appendix 1), to A2 Dominion Homes Ltd. and A2 Dominion Developments Ltd. under a land sale agreement on a 250 - year lease.
- 2.3. To note that the decision for any Land Transfer in the West King Street Regeneration will return to Cabinet for approval.
- 2.4. To delegate authority to the Lead Director for Regeneration, Planning and Housing, and the Director of Building and Property Management in consultation with Cabinet Member for Economic Development and Regeneration and the Cabinet Member for Finance to complete asset transactions in connection with:
 - the Friends Meeting House at Nigel Playfair Avenue and
 - land of the Former Children's Centre at Bradmore Park Road

and to confirm that disposal of the land will be covered by General Consents under s123 of Local Government Act 1972 and/or to seek the necessary consent from the Secretary of State should it be required.

- 2.5. To resolve that the area of land at 181 King Street; 207 King Street; Nigel Playfair Avenue; Town Hall Annex referred to in this report and shown edged red on the plan at Appendix 1 is no longer required for the purpose for which it is currently held.
- 2.6. To approve in principle the appropriation of the area of land in appendix 1 to the planning purposes of facilitating redevelopment for residential and other uses pursuant to section 122 of the Local Government Act 1972 in order to override easements covenants and other third party rights in respect of the land pursuant to section 203 of the Housing and Planning Act 2016 subject to the requirements set out in the legal implications section having been satisfied and a further report for approval being made to Cabinet.
- 2.7. To approve a budget of £360,000 to deliver a successful negotiation of legal agreements, complete the necessary commercial, tax and accountancy assessments, and the associated project management.
- 2.8. To approve budget of £250,000 for the client-side Council Accommodation Delivery Team over the next 6 months. This includes dedicated technical specification management, IT project management and network consultancy.
- 2.9. To approve a budget of up to £1.510m to enable the delivery of projects associated with the town hall, and which will be necessary to enable future refurbishment proposals, and to delegate authority for the final budget allocation on a project by project basis to the Strategic Finance Director in consultation with the Cabinet Member for Finance and the Cabinet Member for Economic Development and Regeneration. This includes projects to permanently relocate or decant elements of ICT infrastructure and operational functions to more suitable places on the H&F estate.
- 2.10. To note that the funding source for the expenditure referred to in 2.7 – 2.9 above will come from either section 106, where appropriate, and/or reserves.
- 2.11. To delegate authority to the Director of Building & Property Management in consultation with Cabinet Member for Finance to appoint commercial agents to advise and assist the Council on all legal negotiations in relation to office accommodation should the Council need to re-locate part or all of its office accommodation under any future conditional land sale agreement.

3. REASONS FOR THE DECISION

End of Previous Contractual Arrangements

- 3.1. The Council entered into a Development Agreement and Agreement for Lease (the “DA”) on the 19 March 2008 with King Street Developments (Hammersmith) Ltd (“KSD”) in respect of the delivery of the King Street Regeneration Project. KSD is a joint venture between Helical Bar and Grainger, two development companies.

- 3.2. Following consideration of the options available, the Council decided on the 24th April 2017 to exercise its rights contained within the development agreement and to serve notice to terminate the development agreement, and serve the subsequent Council Notice for the assignment of the developer's land interests (the Cinema Site).
- 3.3. The Council is currently in the process of acquiring the site of the former Cinema, 207 King.
- 3.4. However, a comprehensive and co-ordinated approach to the whole Town Hall site is still required. The Council's Industrial Strategy sets out how the Council will drive growth, including through the development of King Street and the introduction of a range of economic activity.
- 3.5. The town hall, town hall extension, sites on Nigel Playfair Avenue and 207 King Street form a strategic regeneration site that must be treated as a comprehensive development in order to fully realise the benefits. The Council's planning policies in its current and soon to be adopted new local plan also demand that a holistic and comprehensive approach be taken to the site.
- 3.6. **Council Requirements for Accommodation**
- 3.7. Despite the end of the contractual arrangements, the Council still has a requirement for either refurbished offices or new offices, as well as accommodation for non-office-based corporate functions where new ways of using space will drive efficiency and service needs. The current council accommodation in both the Town Hall Annex and the Town Hall is at the end of its life and fit for purpose offices are needed to assist in delivery of services. There is also an opportunity to change the working environment and working practices so that the Council can deliver on its vision to be the best modern council.
- 3.8. The ending of the contractual arrangements does provide an opportunity to comprehensively realise the regeneration potential for the site, which the original scheme failed to achieve. Specifically, the annex building can be demolished to provide a better design and public space; affordable housing can be provided where the previous scheme provided none; a larger community cinema can be provided; additional office space can be delivered, to the benefit of the wider local economy, and the Town Hall can renew its role as a civic, public, and democratic space. The whole scheme will also provide a public space linking King Street to Furnival Gardens.

Enabling Actions to Deliver Revised Proposals

- 3.9. To realise the regeneration potential and for a new set of proposals to be delivered, the Council needs to take several enabling actions and these are set out in the recommendations and the main body of the report. This includes preparing the ground for any moves of facilities and staff that may be necessary to enable development.

Fast-tracking of Non-Office Moves and Enabling Projects

- 3.10. The Town Hall campus is home to several council functions other than office space. A full list is presented at paragraph 4.44 below. The IT communications hub on the ground floor of the Town Hall requires attention. The current location is acknowledged as unsuitable due to the presence of a flood risk to the room. Changes to the hub itself also mean that it is an opportune time to find a suitable alternative location.
- 3.11. These items detailed at 4.44 have the longest lead times and greatest risk of delaying vacant possession. Further, many of these projects will improve service delivery. Consequently, approval and funding is sought for these relocations in this report so that they can commence in Spring 2018. This will mitigate against the risk of delay to the overall programme.

4. PROPOSALS AND ISSUES

Options Considered for Developing Revised Proposals and Appointing a Partner

- 4.1. The Council considered three main options for delivering a new scheme with the primary objectives of delivering new civic offices and housing:
1. Directly manage a planning application and capital programme to deliver a new mixed-use scheme
 2. Commence a large scale, public contract regulations (EU) compliant procurement to procure a developer partner
 3. Dispose of the land to a developer (with the potential to form a joint venture) – this route does not require procurement where there is no enforceable obligation on the developer to undertake the works.
- 4.2. A summary assessment of these options is demonstrated below in table 1

Table 1

	OPTION 1 LBHF Direct Delivery	OPTION 2 New procurement process	OPTION 3 Disposal to a developer partner
Council Control	High - Full control over design and development	Medium - Ability to specify requirements through procurement.	Low- Dependent on form of contract and structure/commercial incentives and whether Council participates in a joint venture
Budget	High –	Medium – revenue	Low – legal and

Requirement	revenue budget of c. £2.5m to achieve planning, capital budget requirement of c.£140m for new construction.	budget of c. £250-500K to fund procurement, legal and commercial advisors. Likely route is competitive dialogue or negotiated procedure with competition which is time consuming and expensive. Whilst the Council has a clear set of objectives it is unlikely that these could be secured through a more efficient restricted procurement procedure	financial advice of c.£360K to come to a commercial agreement with a potential partner. All new build costs are passed to partner, or in a JV the Council would use its land as equity.
Cost Risk	High – all risks with the Council, mitigated only by fixed price contracts for construction.	Medium – potential the procurement fails or in dialogue takes longer than planned, however partner can bear cost and sales risks	Low to Medium – dependent on route (JV or land contract). A land disposal would see cost and sales risk passed to partner. A JV may see some risks borne by the Council (e.g. cost and value risks)
Commercial Return	High - All returns and assets would be with the Council.	Medium – dependent on offers developed in procurement, Council can share in upside benefits (i.e. overage)	Medium to High – Dependent on option chosen, Council would receive land value or invest land as equity for share of profit, or could receive income generating assets through a JV
Reputational Risk	High – all risk with the Council	Medium – Shared risk with the developer	Medium – shared risk with the developer
Timetable	High – longest	Medium – Competitive	Low –agreement of heads of terms could

	option, with 6 months minimum to procure a design team, 12 months to develop a planning application, further 6 months to procure a contractor	Dialogue/Negotiations can take 12-18 months dependent on clarity of Council's requirements.	be submitted for cabinet approval and additionally submit planning within 6-9 months of commencement
Deliverability	Low – the Council may not have the capability to directly manage a design and construction process	Medium – dependent on outcome of procurement and appetite of market	High – partners are ready, willing, and able to deliver to a tight timetable but should commercial incentives prove insufficient (for example in a failing market) risk remains of non-delivery and the need for the Council to buy back the land from the developer

- 4.3. In options one and two the Council would be required to engage in lengthy public contract regulation (PCR) compliant procurement processes. These are themselves not without risk and the Council would need to ensure it has robust governance, project management, and professional legal and commercial advice in place to advise the Council on managing the risks and securing the best commercial outcome.
- 4.4. However, it is possible to directly engage with a partner either through a property transaction (i.e. a conditional land sale agreement) or through investment in a corporate joint venture. This is on the basis that either route is not a public works contract, (which would otherwise be procurable under the PCR), because such arrangements are not accompanied by an enforceable obligation on the developer to undertake works/services. Gowling WLG have advised the Council on these options and their detailed advice is contained in the exempt appendix 2 of the report (in the exempt Cabinet agenda).
- 4.5. In summary, their advice is that where there is a property transaction where the land is sold to a developer partner and they undertake the construction work but without an obligation to do so it is not a public works contract. There are commercial incentives on the developer to complete the development and these are:

- a) Its ability to take a priority profit on development and disposal of the scheme in phases (although in this case, the Council will seek to minimise this and share in the profit as far as possible);
 - b) Its ability to participate in 50% of any overage beyond this priority profit;
 - c) The ability for the Council to terminate the lease and take back ownership of the property in the event of non-delivery – the price to be paid by the Council is yet to be agreed but it is anticipated that this will be at a discount to either the cost or value of the property;
 - d) An obligation on the developer to pay liquidated and ascertained damages for each week of delay in the delivery of the new Town Hall – the amount of the LAD's is yet to be agreed;
 - e) An obligation on the developer to pay an amount should it deliver the new Town Hall to a less than the required floor space;
 - f) An obligation on the developer to make a degree of progress on the Town Hall refurbishment before it is entitled to draw down further land parcels – the extent to which this provision can be achieved will be negotiated once the detailed phasing of the scheme has been developed
- 4.6. However, in a falling market there is a risk that these commercial incentives could prove to be insufficient. In those circumstances, the Council would have the option to re-acquire the property (as per 4.6 c) but note that it would of course need to identify the financial resources with which to do so.
- 4.7. Ultimately the developer would have the choice as to whether they undertake the work. Instead, there are commercial incentives for them to undertake the work – e.g. the ability of LBHF to buy back the land if there is delivery failure as described above.
- 4.8. LBHF could alternatively (or in addition) invest in a corporate joint venture. The investment would be a financial transaction and not a public works contract. However, to avoid creating an obligation that could be a public works contract a land transaction would need to be structured between the Council and the corporate joint venture as described above.
- 4.9. **Recommended Option**
- 4.10. Based on the paragraphs 4.1 to 4.8 above engaging directly with a partner either through a land disposal and associated contract and/or through forming a joint venture is the recommended option. This on the basis that it:
- Offers the faster timetable and most secure delivery
 - Minimises the cost risks to the Council
 - Has a limited short-term budget requirement
 - Offers the opportunity for the Council to share in benefits

- 4.11. It is recommended that the Council engage directly with A2 Dominion Housing Association for the delivery of this scheme.

Options Considered for Transaction Structure

- 4.12. Officers considered two main routes for how it would contract under option 3.

4.13. Land Disposal

- 4.14. If the Council deals directly with a single partner and does not create a public works contract then the Council will not be required to comply with the PCR but would instead simply enter into a conditional agreement for a lease with a developer partner.

- 4.15. The land sale would create a framework by which the developer provides:
- New offices
 - If demolition of Town Hall Extension is agreed, then to include its demolition and creation of a piazza
 - Land payment for the Nigel Playfair Car Park and any other Council owned land interests transferred

- 4.16. The land payment would be based on a residual land value calculation accounting for the build costs and the benefits required by the Council.

- 4.17. Where the development proposed is to be ultimately owned by the developer then the land would transfer to them on long lease. However, if the ownership is to remain with the Council then the development could be completed under a build licence.

- 4.18. An overage requirement will be included within the agreement, based on either planning or super profit overage.

- 4.19. The Council could retain the option of purchasing any rental units, either affordable or PRS, by entering into a pre-sale agreement and purchasing through a council owned company. This would have the benefits of recycling a capital expenditure back into a land value, while also enabling the Council to obtain a revenue generating asset. It would also have the benefit of de-risking the scheme – a guaranteed purchaser for the developer, making it more likely that they could proceed in a timely fashion and reducing the overall funding requirement. Any proposals in this regard are subject to future cabinet approvals.

4.20. Joint Venture Investment Structure

- 4.21. The Council could decide to invest in a joint venture to share more fully in the risks and benefits of the development.

- 4.22. In this option the Council and its partner would invest in a corporate structure or joint venture to deliver all or part of the project. If the joint venture was not a contracting authority then it would not be covered by the public contract regulations. However, this should be achievable by demonstrating the commercial character of the JV. The transfer of land to the JV or other contracting parties would need to maintain the same structure as above to avoid the creation of a public works contract.
- 4.23. A standard form of development JV involves both parties contributing equity and debt funding on an equal basis, with equal rewards. In the case of King Street, the Council would contribute its land as equity into the JV and the partner would contribute an equal proportion of equity. This would then be used to fund the development cashflow up to the point that the equity is exhausted. Funding would then be provided by both parties on a monthly cashflow basis from their own resources (either debt or free cashflow), or by securing project finance (less likely given the likely access to funds that both parties could have).
- 4.24. On completion, each party would share 50:50 in the benefits produced by the JV either in capital receipts or the assets produced. The JV would have to account for the cost of equity and funding within the financial model. The JV agreement would include an equalisation process so that each party contributes and benefits equally depending on the profit or assets returned on completion and the price paid.
- 4.25. The Council could use one of its Housing Companies as a forward purchaser of any units, the price of which would be determined by their cost, valuation, and the equalisation process.

4.26. **Recommended Transaction Structure**

4.27. A summary assessment of the advantages and disadvantages of each model is shown in the table below:

	Joint Venture Vehicle	Land Disposal
Advantages	<ul style="list-style-type: none"> •Council is able to share in full and equally (depending on level of equity invested) in the value generated by any scheme •Potential for greater element of control over specification and detailed design •Vehicle could be used for future developments 	<ul style="list-style-type: none"> •Development risk is fully transferred to a partner •Value that the Council is to receive fixed at beginning of contract •Simple legal structure, using standard forms of lease and legal agreement •Council is still able to participate in value share through overage arrangements •Expertise of a development manager is secured, who is responsible for the development progressing •Roles and responsibilities are

		clear within land sale agreements and leases, with clear council rights of step-in and penalties for non-compliance
Disadvantages	<ul style="list-style-type: none"> •Council shares in the risks of cost overruns •Council shares in the risks of value decreases •Limited ability to penalise non-delivery, given Council involvement in the project •Lower transparency over responsibilities, given joint nature of contractual obligations •Control must remain at arm's length in order to manage PCR requirements •Public perception around Council use of JVs for property related matters (e.g. HDV) •Creates complexity around the property transaction structure, including taxation •Requires greater complexity in constructing corporate vehicle to participate, and the Councils obligations and liabilities associated with the vehicle •Increases complexity around funding, guarantees and security 	<ul style="list-style-type: none"> •Council control is through negative obligations and limits ability of council to specify the detail of design and works •Council does not fully participate in benefits the scheme generates •Decisions to complete or stop development are not in the council's control and mitigated by penalties

4.28. Officers recommend that the development is delivered through a land sale agreement with A2 Dominion. This option has the simplest legal structure and does not require the creation of a separate corporate entity, is transparent as to roles and responsibilities, and transfers risk for delivery to the development partner.

Heads of Terms

- 4.29. Officers have progressed discussions with A2 Dominion and developed draft heads of terms. This sets out each party's respective obligations.
- 4.30. A2 Dominion are a West London based housing association with a strong record of accomplishment of affordable housing and mixed-use delivery. They own and manage around 37,000 homes in the South East, with an annual development plan of more than 1000 homes a year.
- 4.31. They are currently delivering new homes at Queen's Wharf, in partnership with Mount Anvil and are also working with the Council on the development of Lavender Court for affordable housing. A2 Dominion have committed to the Council that any surpluses realised on this scheme will be re-invested within the borough on new affordable housing. They have also committed to re-invest any further surpluses generated from new developments in the borough.
- 4.32. Given the scarcity and value of land in the borough, working with the Council on local authority owned land provides an opportunity for these surpluses to be used in delivering more affordable housing. On the King Street Regeneration A2 Dominion have committed to use some of their surplus to deliver the affordable housing element.

New Proposals developed by A2 Dominion

- 4.33. The new scheme has some key differences to the previously approved scheme, which are summarised below:
- Demolition of Town Hall Extension, 181 King Street, Friends Meeting House, and former Registry Office.
 - Construction of 210 residential units, of which 110 will be either Private rented or private sale units and 100 affordable units. Due to including larger family units in the affordable mix the overall tenure split by floorspace will be 53% affordable to 47% private. The previous KSD scheme was 100% private for sale.
 - An additional 4,679m² GIA of B1 office space constructed on top of the town hall, which is to replace the Council's current accommodation in the Town Hall Extension.
 - Refurbishment of the existing town hall, which provides c.3,500sqm of office and civic spaces. Combined with the extension this will be able to accommodate all existing staff and staff returning from WCC and RBKC as part of the moving on process. The refurbishment element of the project is not part of this report or the heads of terms but will be the subject of a future report
 - Additional 4,536 m² of B1 office space for a third-party occupier.
 - 584m² commercial uses in A1-A3 class.
 - A new four screen cinema, totalling 1,764m² and including a bar/café use

- A new public space in front of the town hall which can be used for programmed events

Delivering the Project – Council’s Obligations

- 4.34. The Heads of Terms set out the key obligations for each party, which form the basis of the land sale agreement.
- 4.35. A2 Dominion will have responsibility for submitting a planning application, procuring a contractor, start on site, construction delivery and completing the development within an agreed timescale.
- 4.36. The Council will have responsibility for acquiring all land and providing vacant possession of the site to A2 Dominion, either as a whole site or in phases.
- 4.37. The Council will be responsible for funding the refurbishment of the town hall (which will be the subject of future cabinet decisions).
- 4.38. There are provisions in the Heads of Terms that deal with what would happen should either party decide not to enter into the agreement for lease.
- 4.39. The Council is in the process of acquiring the cinema site at 207 King Street under separate authority to this report. Negotiations are also well advanced with the Quakers for the acquisition and land swap of the friends meeting house. Recommendation 2.3 gives officers the necessary authority to complete this process.
- 4.40. The Council is not obliged to complete a conditional land sale agreement and despite having agreed heads of terms, could choose to not complete the legal agreement at any time prior to signature.

Arrangements for Non-Office Functions

- 4.41. The Town Hall is only one third staff office accommodation; it is also home to several other functions that need to be decanted, re-located or otherwise altered. Similarly, the Town Hall Annex hosts a customer service centre as well as staff offices and 181 King Street hosts council operational functions.
- 4.42. In anticipation of an agreement for lease whereby the Council will be required to give vacant possession of buildings, it is proposed to move some elements forward ahead of a formal agreement. In any event, the future refurbishment of the Town Hall will require at least the temporary relocation of these functions. Several the functions would also benefit from the ability to improve services
- 4.43. These moves are expected to have longer lead times, and have a higher risk of unforeseen complications and delay. It is therefore proposed that these projects are fast-tracked and take place now.

4.44. Where it allows for better service delivery, to minimise expense and disruption some of these facilities will be re-located to a new, permanent home. The remaining facilities and services will be incorporated in the final Town Hall campus and return upon completion of works.

4.45. The following fast track projects are required:

Action	Proposal	Other Options Explored and Discounted
ICT network hub and connecting infrastructure	Permanently re-locate infrastructure to 145 King Street and upgrade associated links to/from building	Move to a third-party building (discounted – expensive and operationally vital installation; long lead times) Maintain active facility on construction site (discounted – impractical) Move to another council building (only 145 King St can be reliably delivered within timeframe)
Decant or re-location of (safer neighbourhoods) CCTV facility	Permanently re-locate within H&F estate	Temporary re-location (discounted – moves incur very high cost due to highly specialised set up; minimise costs by re-locating permanently)
Decant or re-location of Parking CCTV facility	Permanently re-locate within H&F estate	As above
Decant or re-location of Parking Wardens	Permanently re-locate to Shepherd's Bush area	Temporary decant (discounted – wardens have had a long-standing need for a base in Shepherd's Bush area for operational reasons, opportunity should be taken to re-locate them to that area)
Re-location and rationalisation of secure council parking spaces	Review and rationalise access to car parking facilities, in line with space available	The council has no other options available to it as parking space is at a premium
Decant or re-location of Careline	Re-locate Careline to 145 King Street, to have continued access to secure fleet parking	Bagley's Lane (discounted – increased response times)
Decant or re-location of the Extension's customer service centre	Consolidated customer service centre in 145 King Street	There are ambitious plans for redefining how we interact with residents (customers) in the long-term – these cannot be delivered within the required timescale, but can be supported by consolidating customer service centre as the first step towards integrated customer experience

4.46. The costs for these items, over and above the costs associated with decanting the office accommodation, are presented in 8.18. Each of these items will be subject to office and cabinet member approval.

5. CONSULTATION

5.1. As part of the pre-planning application process the Council is expected to consult stakeholders including residents. A number of stakeholders'

engagement meetings will be carried out during this pre-application period. This includes meetings with the design review group. Public consultation meetings which includes design exhibitions were held between November to December 2017. The consultation exercise will be carried out jointly by the Council and A2Dominion.

- 5.2. Officers have consulted and engaged with stakeholder groups around the proposals and designs, these groups include:
- LB Hammersmith & Fulham Staff
 - Local Interest Groups – Hammersmith Society
 - Local residents

6. EQUALITY IMPLICATIONS

- 6.1. Key equalities issues are considered below for different aspects of the project.

Design & Planning Stage

- 6.2. ***Understanding the needs of disabled people:*** The design team has actively engaged Disability Planning Forum and members of the Disabled People's Commission (a key stakeholder group) using the Council's policy of co-production. This requires the design team to work hand in hand with the forum to ensure that special needs considerations are given high priority as the scheme develops.
- 6.3. This active engagement is done through regular workshops. These disability workshops cover the new design for newly refurbished Town Hall, private office blocks, residential units consisting of over 200 flats, shops, the cinema/bar/restaurant facility, and the public spaces.
- 6.4. ***Public Consultation & Stakeholder Engagement:*** Staff, residents and over 20 stakeholder groups have been consulted as part of the consultation process. A 3-day public exhibition took place in early November 2017. Over 400 residents attended the exhibition. More than 70% of those who responded to a survey were in favour of the new scheme.
- 6.5. ***The Neighbourhood Area*** – Special discussions have taken place with the Riverside Gardens Estate TRA (A Council estate (180 flats) next to the Town Hall. Estate walkabouts with the TRA are planned this New Year. The aim is to promote good neighbourliness and to help ensure that the scheme does not impact negatively on the surrounding areas.

Construction Phase

- 6.6. ***Local Labour, Employment & Training Initiatives*** - During the construction phase, there will be local labour and employment opportunities through the main contractor's supply chain. There will also be training initiatives such as

the apprenticeship and graduate training schemes for young adults living in the area.

6.7. *Implications verified by: Peter Smith, Head of Policy and Strategy, Tel. 0208 753 2206.*

7. LEGAL IMPLICATIONS

7.1. It is noted that legal advice on this project including procurement options is being provided by Gowling WLG (UK) LLP ("Gowling"). Legal implications provided by Gowling, which are legally privileged and/or commercially sensitive, are contained in Appendix 2 to this report (in the exempt Cabinet agenda) in accordance with Schedule 12A of the Local Government Act 1972.

7.2. Most of the site is held in General Fund and the relevant power of sale of this would be S123 Local Government Act 1972. The Old Registrars Building was acquired under Housing Act powers and so the relevant disposal power for that would be S32 Housing Act 1985. Secretary of State consent is usually required for a disposal of housing land. Such consent can either be a specific consent or in certain cases by way of a General Consent. General Consent A3.1.1 provides that a local authority may dispose of land for a consideration equal to its market value so no such specific consent would be needed if that is the case with this disposal. If the land is appropriated to planning purposes the relevant power of sale would then be S.233 of the Town and Country Planning Act 1990

7.3. There is also a further general consent A3.2 permitting the disposal of "vacant land" being land on which no dwelling has been built. If the Old Registrars Building has never been used for housing it would fall within this definition and so no specific consent under S.32 of the Housing Act 1985 would be required as the Council could rely on the general consent.

7.4. Before exercising its statutory powers to appropriate the land to planning purposes the Council must be satisfied that the following considerations have been taken into account

- Consideration 1: The use of statutory powers is required in that:
 - (i) The infringements cannot reasonably be avoided;
 - (ii) The easements to be interfered with cannot reasonably be released by agreement with affected owners;
 - (iii) The development is prejudiced due to the risk of injunction and adequate attempts have been made to remove the injunction risks.
- Consideration 2: The use of statutory powers will facilitate the carrying out of the Development;
- Consideration 3: The development will contribute to the promotion and improvement of the economic, social, or environmental well-being of the area and therefore be in the public interest;

- Consideration 4: The benefits of the development could not be achieved without giving rise to the infringements of the identified rights;
- Consideration 5: Is it in the public interest that the development is carried out?
- Consideration 6: Is the public interest to be achieved proportionate to the private rights being infringed by the action of Section 203

Implications completed by legal Officer: Dermot Rayner, Senior Property Lawyer, Tet. 020 8753 1945, Email: dermot.rayner@lbhf.gov.uk).

- 7.5. Gowling has advised that in the absence of an enforceable binding legally obligation on the developer to undertake works or provide services, the following activities would not give rise to the need to conduct a procurement in accordance with the PCR:
- a. A developer engaging with the Council in discussions as to the type of buildings the Council might want to be provided;
 - b. A developer pursuing planning applications in respect of the site (and the land sale or lease could include a provision that the site would not be developed other than in accordance with planning permission and planning policy);
 - c. Including a provision (which would need to be appropriately worded) that the Council could re-purchase a site in the event of a failure to commence or complete the works by a pre-agreed date.
 - d. Agreeing that if the developer constructed social housing then the Council would have nomination rights into those dwellings.
 - e. Including overage (profit-sharing payments) within the sale contract/lease;
- 7.6. Gowling have assisted the Council in the negotiation of the Heads of Terms (HOT). Although one can never rule out entirely the risk of challenge brought, Gowling is confident that the property transaction route based on the draft HOT (and the absence of any positive obligation to build) would give the Council a strong defence if a procurement challenge did arise.
- 7.7. Where the Council engages with one purchaser (A2 Dominion) without a wider tender exercise, it will seek confirmation from BNP Paribas that its duty under section 123 (and if appropriate its relevant duties under the Housing Act 1985 or Town and Country Planning Act 1990) have been satisfied. The Council must also ensure that it does not breach state aid law. Provided the Council can demonstrate that it has achieved best consideration there is no state aid. Commission Guidance¹ has established this principle in the context

¹ European Commission Communication on State aid elements in sales of land and buildings by public authorities (97/C 209/03)

of freehold disposals. Whilst the guidance is not binding law, it is useful evidence as to how the Commission will approach the issue. The land should not be sold at less than the level evidenced by an independent valuation.

- 7.8. The requirement under S.123 of the Local Government Act 1972 that assets disposed of at the best consideration reasonably obtainable applies, although there is a general consent (**The Local Government Act 1972: General Disposal Consent 2003**) which permits disposal at an undervalue provided the **undervalue is £2,000,000 or less.**
- 7.9. The disposal is to be by way of a 250-year lease rather than freehold so its use can be restricted to affordable or intermediate properties and so prevent private sales where this is appropriate. The lease will also provide for provision for its surrender in the event of the works approved under the Planning Permission not having been commenced or completed by agreed dates to ensure that the agreed scheme is built out.

*Implications Completed by Richard Beckingsale,
(richard.beckingsale@gowlingwlg.com), Partner, Gowling WLG, Tel. 0370 730 2816, 07968 984110.*

8. FINANCIAL IMPLICATIONS

- 8.1. The proposals in this report are subject to a full business case including a value for money assessment by external financial advisors. Cabinet is being asked to approve heads of terms and so comments are limited at this stage. Fuller comments will be provided when the final approval report returns to cabinet. The proposals will be subject to a full business case. Financial advisors for this project are being appointed (from an existing framework) to provide the Council with a value for money assessment and the results of their work will be included in the final approval report. Their brief covers:
 - Financial advice on the proposed structure, financial model and financial implications for the Council.
 - Advice on the taxation implications.
 - Advice on the financial stability and financial strength of A2Dominion Developments Ltd and A2Dominion Homes Ltd for a deal of this scale, along with advice on the structure of guarantees etc.
- 8.2. **Financial stability and financial strength of the contracting party**
- 8.3. The Homes and Communities Agency in their most recent judgement dated 20 December 2017 rated A2Dominion Housing Group Limited V1 for viability and G1 for Governance. These are the highest viability and governance ratings that can be awarded under these assessments.
- 8.4. The judgement also covered A2Dominion Homes Limited (who under the proposed HOT will contract for the affordable housing elements). It does not cover the main contracting party A2Dominion Developments Limited (which is

a subsidiary of A2Dominion Housing Group). The draft HOT proposes to cover this risk by ensuring that A2Dominion Homes Ltd have step in rights over A2Dominion Developments Ltd if there is any failure on their part as well as by ensuring that continued financial stability and strength is one of the conditions in the land sale agreement.

- 8.5. A Creditsafe check have also been completed on A2Dominion Developments Ltd which currently has a rating of 77. A2 Dominion Homes Ltd has been rated A+ by Fitch ratings for local currency transactions with a stable outlook. The group of which these companies form a part had turnover for the year ended 31 March 2017 of £372m and net assets showing on their balance sheet of £836m.
- 8.6. These checks, especially the creditsafe score, rely on historic performance, which isn't necessarily a guide to the future.
- 8.7. As noted above prior to finalising the Conditional Land Sale agreement the recently procured financial advisors will carry out further work in this area and report on:
 - The suitability and financial stability and financial strength of the proposed contracting party including looking at other forward commitments.
 - The methodology and structure of any guarantee arrangement and the potential risks to the council.
 - Should the conditional land sale agreement be signed refresh this report on an annual basis and ad hoc as required.
- 8.8. **Financial advice on proposed structure, valuation of the site and consideration, including best consideration assessment under S123**
- 8.9. BNP Paribas have been engaged to confirm that the commercial terms set out in the heads of terms are acceptable, and to provide a s.123 best consideration valuation which will be completed ahead of a final cabinet approval. The best consideration valuation will need to be signed off by the borough valuer.
- 8.10. In addition financial advisors for this project are being appointed and have been asked to comment on:
 - The suitability and assumptions of the residual land value model and the valuation of the consideration received.
 - The proposed structure of Conditional Land Sale Agreement. This may include commentary on the key cost areas, economical advantageousness, and financial risks to the Council.
 - The opportunity for the Council as a side transaction to acquire a portfolio of private rented and / or commercial property

- The work of these advisers is expected to include an assessment of the robustness of the business case, including option appraisals, cash flow analysis, sensitivity analysis and short, medium, and long-term affordability as well as verification of the inputs and assumptions of any financial model including the treatment of land acquisition costs such as those for the cinema site

8.11. Taxation

8.12. While the lawyers have been giving thought to the tax implications when structuring the Heads of Terms the council will need to obtain detailed tax advice before finalising any conditional land sale agreement. Therefore, our financial advisors have been asked to provide advice on:

- The direct tax, VAT and stamp duty land tax (SDLT) implications and liabilities for the Council of the proposed Land Sale Agreement. This will include advice on any tax leakage in the structure as well as advice on the impact on the council's VAT partial exemption position.
- The SDLT and other taxation implications on the opportunity for the Council as a side transaction to acquire a portfolio of private rented and / or commercial property
- The reasonableness or otherwise of the tax assumptions and, if relevant, refer to potential alternative structuring ideas which may improve the tax efficiency.

8.13. Immediate budget requirements

8.14. The leader's urgency decision of 17 April 2017 authorised the use of £250,000 from the King Street Regeneration Reserve for use on the project. Costs associated with the purchase of 207 King Street will be capitalised as part of that transaction. To date £76,000 of this budget has been committed to date.

8.15. This report seeks approval for the budget below to enable the next stage of the project. Details of the Council's costs in completing the Conditional Land Sale agreement and refurbishment of the Town Hall will form part of the final approval report when it goes back to Cabinet.

8.16. Project resources are required to see the client team through the next six months of project management and secure the necessary consultant advice.

Project Team and Consultant Advisors	Function	Value
Project Officer	Surveys, Access, and RFI from the project team o Communications and Consultation o Resident liaison	£60,000

Project Management Office	<ul style="list-style-type: none"> o Meeting administration o Risk Register o Decision Logs o Project Plan o Record keeping 	£50,000
Legal Advisor	An external firm of consultants to negotiate heads of terms, agreement for leases, leases and other commercial arrangements	£100,000
Commercial and Valuation Advice	Best consideration and commercial advice	£70,000
Value for Money Assessment and Tax Advice	To assess the terms of the property transaction and to secure taxation advice	£50,000
Model audit	To audit the structure of the residual land value model used	£30,000
Total		£360,000

8.17. Operational budgets are required to deliver the fast track enabling projects, including management of enabler projects essential to achieving vacant possession, management of moves and communication and engagement with teams to achieve the required cultural change. The budget requirements for this are set out below. These are for the next financial year.

Council Accommodation Delivery Team	Function	Value
IT Projects Manager	Responsible for defining and commissioning delivery of essential ICT projects associated with the proposed decant and new offices <ul style="list-style-type: none"> o Supporting fast track enabler projects including ICT Hub relocation o Supporting property search to ensure decant offices meet ICT requirements o Commissioning ICT fit out of decant offices o Defining ICT fit out requirements for new Town Hall workspace 	132,000
IT Network Consultant	Responsible for client side technical network consultancy and advice relating to the decant (decant office and enabling projects) and Town Hall refurbishment and extension. Twelve months over the three years. (Figure in this table shows four months)	44,000
Specifications Manager (Decant and New Offices Specification)	Documentation of technical design and fit out requirements for decant offices and Town Hall refurbishment and extension.	79,000
Total		£250,000

8.18. The Town Hall is only one third office accommodation, and the Town Hall Extension is home to a customer service centre as well as staff offices. In addition to decanting the offices, vacant possession will require projects to re-locate these additional functions, itemised in the table below:

Decant of Town Hall and Extension Enabling	Item	Value
Relocation of ICT infrastructure Hub	A major ICT project requiring project manager and technical resources, as well as physical works and moves	700,000
CCTV Relocation	PM, ICT, FM refit and moves	240,000
Parking Wardens and CCTV relocation	PM, ICT, FM refit and moves	150,000
Customer Services Centre Consolidation	PM, ICT, FM refit and moves	350,000
Careline	PM, ICT, FM refit and moves, including specialist third party movers for bespoke equipment	20,000
Parking re-location and rationalisation	PM, alterations to car park security arrangements	50,000
Total		1,510,000

8.19. These specialised moves have longer lead times and are more complex than the office moves, requiring the full attention of internal moves teams. For this reason, it is proposed that these projects are ‘fast-tracked’ and undertaken ahead of the office moves to minimise the risk of delay in one of these projects delaying vacant possession (see recommendation paragraph 2.10).

8.20. The funding source for the total expenditure of up to £2.12m will come from either section 106, where appropriate, and/or reserves.

8.21. Accounting treatment, funding and impact on the Councils wider finances

8.22. The financial advisor will also advise the Council on the financial and accounting implications of the Conditional Land Sale Agreement before it is finalised. The accounting treatment, funding and impact on the Council’s wider finances will need to be set out in detail when the final approval goes to Cabinet.

8.23. Factors that will need to be considered include but are not limited to the:

- detailed financial impact on the Council’s current budget and medium term financial strategy,
- long term impact of the transaction on the council’s finances including long term income and costs after the development completes and how the council could measure benefits
- financing of the deal and the opportunity for the council to participate as a funder, the accounting treatment for each item (General Fund / Housing Revenue Account, Capital / revenue).
- The impact on other Council contracts e.g. Amey for facilities management and MITIE where they occupy part of the Town Hall extension

- Opportunities for the Council to share in profit and generate capital receipts and long-term income streams.

Implications verified/completed by: Director of Finance & Resources, Kath Corbett, Tel. 020 8753 3031.

9. PROPERTY IMPLICATIONS

- 9.1. The Council's Property team are completing additional due diligence as part of the Heads of Terms negotiation process, and will continue ensure Best Consideration under LGA Act 1972 is being achieved.
- 9.2. H&F Property team have appointed a specialist property company BNP Paribas who have a track-record of working with developers/housing association on mixed tenure schemes within central London. This includes a detailed assessment of the developer's financial model, including all inputs as part of a Red Book valuation under RICS guidelines in respect of the draft scheme.
- 9.3. This initial valuation by external consultant is being prepared with all input information and the report will produce that provides a duty of care. The external agent will provide advice to Property and Finance colleagues on future variations to the scheme. In addition, a model audit will be undertaken and also sensitivity analysis will be assessed. In addition, the external agent will provide advice on the heads of terms and detailed drafting of the documents and how this impacts on future overage/funding sharing for the Council and A2 D. The external agent can also undertake extensive financial modelling using its development appraisal system as a check on the A2 D scheme.
- 9.4. A final Red Book valuation and Best Consideration valuation would need to be undertaken once the final scheme is known and once a planning permission is secured.
- 9.5. *Implications verified by Nigel Brown, Head of Asset Strategy and Property Portfolio, Commercial Team, Tel. 0208 753 2835.*

10. IMPLICATIONS FOR BUSINESS

- 10.1. This is a significant commercial opportunity for businesses in the borough, with c.£140m of commercial contracts expected to be available. The S.106 agreement should secure a commitment to partner with the economic development team and the local supply chain programme to ensure that local companies are able to bid for opportunities.
- 10.2. The current proposals also include affordable studios and workspace which will be targeted at SMEs, as well as an additional 50,000 sq.ft. of B1 office space which will support business generally in the Hammersmith Town Centre area.

- 10.3. In addition to opportunities for local businesses, there will be employment and skills opportunities created during the construction and operational phases of the development. The Economic Development Team will be consulted on the appropriate wording and commitments to be incorporated into the s106 economic development ask for this development.
- 10.4. *Implications verified by: Albena Karameros, Programme manager, Tel. 02079388583.*

11. COMMERCIAL IMPLICATIONS

- 11.1. There are no direct procurement related implications. The legal comments confirm that this land sale is exempt from the Public Contracts Regulations 2015 (as amended).
- 11.2. The development offers many commercial benefits to the Council and to the borough. The heads of terms set out the Council's ability to share in any profits from the development. It also enables the Council to share in the income from private rented housing that is developed; the opportunity to invest in commercial units as a source of future revenue; and the enhanced town hall includes spaces which could be rented out to the public or businesses to generate income.
- 11.3. Opportunities for savings may arise from a consolidated estate and changes to facilities management; a new more efficient office with lower responsive repairs costs and no short-term capital costs; and lower utilities costs arising from modern plant and improvements to thermal efficiency.
- 11.4. In addition, the extra c.5,000 sqm of B1 office space will generate c£800,000 in business rates growth. The extra people using the western part of King Street will also drive footfall to the shops and businesses in this area, supporting them to grow and tackling vacancy.
- 11.5. *Implications verified by: Michael Hainge, Commercial Director, Tel. 0208 753 6692.*

12. IT IMPLICATIONS

- 12.1. It will be necessary to move the council's network hub out of Hammersmith Town Hall to minimise disruption to services during any building work. The hub will be moved to 145 King Street as suitable permanent links already exist and the hub can be left there once staff have moved back to the refurbished HTH.
- 12.2. The increased dependency on 145 King Street from a network point of view as well as higher density of staff will require an update to existing IT infrastructure.

- 12.3. Other critical services will also need to be moved from HTH and nearby buildings. These services include CCTV; Parking Wardens and Parking CCTV; Cashiers; Registrars; HammerPrint.
- 12.4. Any future move from the HTH building and subsequent move back by staff will be facilitated by the implementation of the new desktop strategy which is due to complete late 2018. The new strategy will provide each member of staff with a mobile device, such as a tablet or a laptop, and a mobile phone.
- 12.5. Employees will be able to work in a mobile way outside of council buildings by connecting their mobile device to the Internet using their mobile phone.
- 12.6. Office 365 has already been implemented and provides collaborative tools for email, calendars, shared Notebooks, shared working areas such as Team areas; and a wide variety of MS Office applications including Word and Excel.
- 12.7. Skype for Business will support video conference calls, as well as the voice conference calls that are already available.
- 12.8. The mobile devices and collaborative tools will support the council's ambition to deliver services in a more agile way from different locations and reduce the need to go back to base.
- 12.9. The new ways of working will need a programme of change management to support staff and deliver the benefits of mobile working to the council.
- 12.10. Privacy Impact Assessments for each service areas decant and subsequent relocation will be carried out by the services to avoid loss or accidental disclosure of information.
- 12.11. *Implications completed by: Veronica Barella, interim Chief Information Officer, Tel 020 8753 2927.*

13. RISK MANAGEMENT

- 13.1. There are several risks associated with a scheme of this size and complexity. Some of the key risks highlighted below are:
 1. Programme Slippage leading to high cost
 2. Viability of the Scheme
 3. Securing planning permission
 4. Managing expectation of stakeholders
 5. Delays to the purchase of the Cinema Site
 6. Site Assembly including acquiring Friends site
 7. Site Assembly – Parking for staff
 8. Vacant Possession of site
 9. Failure of either party to enter into a land sale agreement following heads of terms.
- 13.2. **Measures to mitigate Risk:** Officers have also assessed the risks associated with the various stages of this programme and sought to put in place

appropriate mitigations. It is recommended that they continue to review, monitor and escalate as appropriate until the programme objectives have been delivered and ensure that new risks identified are assigned to risk owners.

- 13.3. Officers have obtained and followed appropriate external legal advice to assure those approving this report that the proposed approach would enable the Council to achieve its objectives for this programme and should not be subject to procurement challenge by following the recommended course of action.
- 13.4. *Implications completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance, Tel 020 8753 2927.*

14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

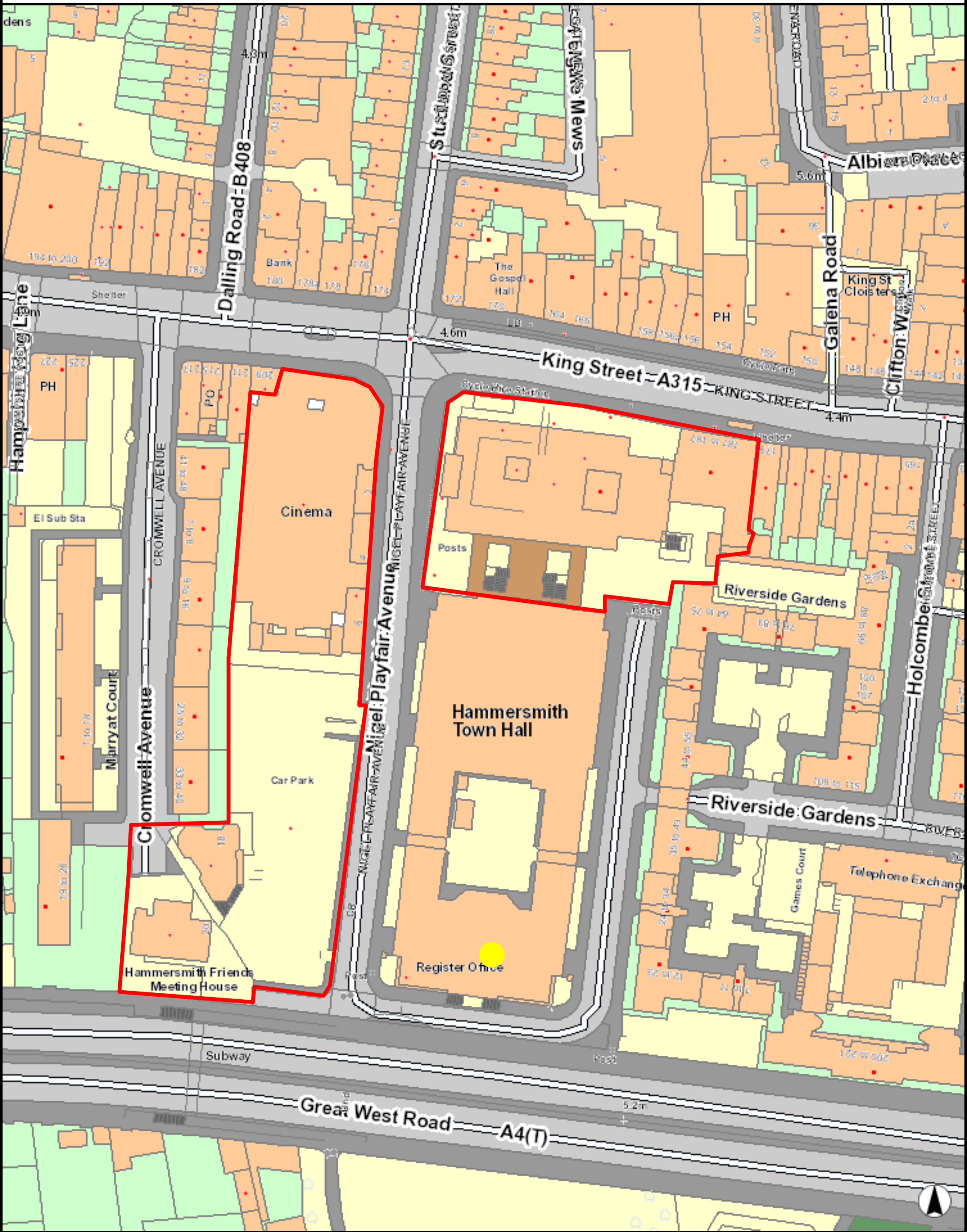
No.	Description of Background Papers	Name and contact details of responsible officer	Department/ Location
	None		

LIST OF APPENDIXES


- Appendix 1 – Red Line Plan of Land for Appropriation
 Appendix 2 – Confidential Legal Advice (in the exempt Cabinet agenda)

London Borough of Hammersmith & Fulham

Appendix 1 - Town Hall Appropriation Land



Agenda Item 10

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 MARCH 2018</p>	
IMPROVING PAYMENT OPTIONS FOR LEASEHOLDERS	
Report of the Cabinet Member of Housing – Councillor Lisa Homan	
Open Report	
Classification: For decision	
Key Decision: Yes	
Consultation: <i>Finance, Legal, Property and Leasehold Services</i>	
Wards Affected: All	
Accountable Director: Kathleen Corbett, Director of Finance and Resources	
Report Author: Jana du Preez, Head of Leasehold Services	Contact Details: Tel: 020 8753 4500 jana.dupreez@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The Council currently offers a wide range of payment options to its leaseholders to assist them in making their contributions towards major works. This report reviews the payment options available and proposes improvements to those options to make it easier and therefore cheaper to collect money.

2. RECOMMENDATIONS

- 2.1. That approval be given to offer the following menu of payment options for resident leaseholders and for non-residential leaseholders who do not sublet more than one Hammersmith & Fulham leasehold property where the property is owned by individuals¹:

¹ i.e. the options will not be available properties owned by a company, trust or similar vehicle.

Invoiced amount	Interest free period available	Interest bearing period available	Total repayment period
> £7,500 < £12,500	36 months	48 months	84 months
> £12,500 < £17,500	48 months	60 months	108 months
> £17,500	48 months	72 months	120 months

- 2.2. To agree to an interest rate for leasehold payment options based on 0.25% above the average council lending rate² for the previous year for the above.
- 2.3. To delegate authority to the Lead Director for Regeneration Planning & Housing acting through the Director of Finance & Resources (Regeneration, Planning & Housing), in consultation with the Cabinet Member for Housing, to consider any applications from leaseholders on the grounds of extreme hardship to vary the length of repayment periods.
- 2.4. To delegate authority to the Lead Director for Regeneration Planning & Housing, in consultation with the Cabinet Member for Housing, the ability to agree payment plans on a project by project basis where leaseholders estimated bills are likely to be in excess of £22,500
- 2.5. To approve a change to the terms for discretionary loans to allow a maximum loan period of 25 years.
- 2.6. To approve that any loan or repayment plan for a sum of £12,500 or above to be secured as a voluntary charge on the property. The administration cost associated with this should be borne by the applicant and will be £150.

3. REASONS FOR DECISION

- 3.1. Cabinet agreed a range of repayment options, most recently in 2013 and the Cabinet Member for Housing agreed further amendments in January 2017.
- 3.2. Waiting for a potentially large major works invoice can cause significant stress to a leaseholder and the additional payment options will help them to reach suitable repayment arrangements as soon as possible.
- 3.3. The proposals are likely to improve collection rates by giving leaseholders more options, as well as reducing the need for legal action. This will increase cash flow and benefit the Housing Revenue Account.
- 3.4. Interest rates have been very low for a number of years and charging a reduced rate will assist customers to pay the capital sum as quickly as possible.

² This is the rate at which the Council could borrow from PWLB for the period of the loan granted to the leaseholder at the time of lending or at the start of the year as appropriate. It cannot be lower than 3.13%.

- 3.5. The options are likely to reduce disputes by improving affordability. This will benefit the Council by reducing the number of cases that escalate to the Courts and the financial and reputational risk that comes with that.

4. PROPOSAL AND ISSUES

Background

- 4.1. The Council has 4,868 leaseholders. 2,872 are resident owner-occupiers and 1,996 are non-resident. The non-resident leaseholders are likely to be subletting but may also be absent for some other reason such as work commitments.
- 4.2. Our leases oblige the council, as landlord, to keep the buildings in a reasonable state of repair and decoration. Under the leases the council can recover a contribution towards cost of this work from the leaseholders.
- 4.3. Work may include, roof repairs/replacement, window repairs/renewal, communal redecorations, etc. The larger projects, which are carried out to blocks or estates, are known as major works. The leaseholders in those blocks and/or estates are normally consulted before work starts³ and are invited to inspect the completed works with officers before any invoice more than £5,000 is issued. When the final account⁴ is received and any requested inspection has been completed they are sent a major works invoice for their contribution.

Payment of major works invoices

- 4.4. The majority of the Council's leases require payment within 21 days of issuing the bill.
- 4.5. Although all leaseholders usually receive notices before any works start to warn them of the impending bill, many leaseholders find it extremely difficult to raise enough funds to settle the invoice within 21 days as the lease requires. So, the Council already offers a number of payment options.
- 4.6. The current options which are available to resident leaseholder, some options are available in limited circumstances to non-residential leaseholders. All current payment options are set out below:
- **Mandatory service charge loans (S450A Housing Act 1985):** an interest-bearing loan with set criteria and only available to the Right to Buy leaseholder for the first 10 years of the lease.
 - **Discretionary service charge loans (S450B Housing Act 1985):** this is available to all leaseholders and is interest bearing, currently 0.25%

³ Very occasionally emergency work may be done without consultation

⁴ The final account is normally received 12 months after works complete but in the case of a complex final account, perhaps involving protracted negotiation or dispute resolution this may take a lot longer.

above the weighted average council lending rate for the previous year, it is reviewed each year, and currently may last up to 10 years.

- **Discretionary reductions:** this allows local authorities to reduce service charges to a minimum of £10,000 over 5 years subject to certain factors.
- **Voluntary charge on the property:** this is applied in cases of extreme hardship where the discretionary reduction and discretionary loan options are not suitable.
- **2.5% reduction** of major works bills should payment in full be received within 21 days of the invoice date. This option is available to all leaseholders.
- **Three years' interest free instalment plan** for all invoices to all residential leaseholders and those who do not sublet more than one council leasehold property.
- **A five-year repayment period**, the first three years interest free and the remaining two years' instalments accruing compound interest at 5% above the Bank's base rate, subject to a signed payment agreement.

4.7. Formal court proceedings are issued in instances where arrears remain unpaid. Sometimes a mortgagee⁵ will settle the bill when warned that court proceedings are about to commence. Non-payment on receipt of a judgement initiates forfeiture proceedings, which usually prompts a mortgagee to settle the outstanding balance to protect their interest. The court may also make an order to register a charge on the property.

Proposed additional interest free & interest-bearing instalment options

4.8. The Council wants to help Leaseholders make payments towards their major works charges. This will avoid increasing the level of homelessness in the Borough⁶ or breaking up established communities by forcing residents to seek cheaper housing options elsewhere by issuing invoices which are unaffordable.

4.9. For this reason, a tiered payment period is proposed depending on the size of the invoice, with an interest free and an interest-bearing period:

Invoiced amount	Interest free period available	Interest bearing period available	Total repayment period
> £7,500 < £12,500	36 months	48 months	84 months
> £12,500 < £17,500	48 months	60 months	108 months
> £17,500	48 months	72 months	120 months

4.10. Access to the above payment plans will be open to residential leaseholders. This payment plan will also be available to non-residential leaseholders who do

⁵ Normally a bank or building society, who would then normally add this amount to the leaseholder's mortgage

⁶ As sometimes when the mortgagee adds the bill to the leaseholders existing balance they become unable to keep up repayments and fall into arrears

not sublet more than one Hammersmith & Fulham leasehold property where the property is owned by individuals⁷.

- 4.11. To further safeguard the Council's interests, payment plans in excess of £12,500 will be secured by a charge on the property with the cost of placing the charge being borne by the leaseholder.
- 4.12. These proposals compare favourably with those offered by other local authorities as set out in Appendix B.
- 4.13. In the interest of residents, the length of the repayment periods has been limited. Council properties require maintenance work on a cyclical basis of, on average, every 7 years. By limiting the repayment period, we are encouraging residents to pay for repair works before they happen again.
- 4.14. Some leaseholders can have very difficult financial circumstances so the report asks for authority to be delegated to the Director of Finance & Resources (Regeneration, Planning & Housing Services) to authorise variations to the repayment periods for leaseholders in cases of hardship.
- 4.15. The report also recognises that on occasion work may be required that results in a very large bill and asks for authority to approve specific payment terms on a project by project basis for any invoices in excess of £22,500 to be delegated to the delegate authority to the Lead Director for Regeneration, Planning and Housing in consultation with the Cabinet Member for Housing.

Discretionary Service Charge Loans

- 4.16. Cabinet approved the use of Discretionary Service Charge Loans in 2008 for a maximum period of 10 years. The loan terms may be on such terms as the council determines (Appendix A shows the current terms) and must be secured as a charge on the flat.
- 4.17. Discretionary Service Charge Loans with deferred payment terms are only available to those leaseholders for whom these extended repayment terms are unaffordable and are unable to access finance through the Mandatory Service Charge Loan Scheme or from a private lender.
- 4.18. It is proposed to extend the maximum payment term for these loans from 10 years to 25 years and to apply the initial interest free period stated in par 4.9. above before starting to charge interest.
- 4.19. Any Legal and Land Registry fees have to be borne by the applicant. The loan will have to be paid if the property is sold.
- 4.20. We expect the take up rates of such loans, and the overall level of debt, to be low for a number of reasons; eligibility will be means tested; loans have been available since 2008 with no applicants to date; the interest rates will be similar

⁷ i.e. the options will not be available properties owned by a company, trust or similar vehicle.

or perhaps slightly higher to private loans; the prospect of interest charges accruing on charges may encourage younger family members to provide financial assistance to the older residents who are the most likely to be the beneficiaries of this loan scheme. In practice, the Council will be the lender of the last resort to the leaseholders in the greatest need.

- 4.21. In all cases loans should be granted on a case by case basis, and may be offered to leaseholders who are subletting, e.g. an elderly leaseholder who is using the income received from renting the leasehold property to fund care home cost or a leaseholder may have moved away to find work and is using the rental income to fund the mortgage payments.
- 4.22. Local authorities have discretion under Section 450B of the Housing Act 1985 to charge any level of fee for discretionary loans to recover its administration and legal costs. It is proposed that this is set at £150 to be paid at the point when the loan is finalised except when such a payment would result in extreme financial hardship. The regulations allow local authorities to choose to add any costs associated with loans to the loan.

Proposed changes to the interest rate

- 4.23. The interest rate is set in the leases⁸ as “five per centum above the Lessor’s banker’s base rate from time to time”, which currently equates to a rate of 5.5%.
- 4.24. The proposal is to charge a lower amount of interest on all major works debt for residential leaseholders and for non-residential leaseholders who do not sublet more than one Hammersmith & Fulham leasehold property where the property is owned by individuals⁹. The proposed interest rate is 0.25% above the average council lending rate for the previous year on the loan period to be reviewed annually¹⁰.
- 4.25. The interest rate for 2016/17 would have been 3.38% (inclusive of the 0.25% administration fee). This compares well to secured loans offered on-line at rates from 3.99%¹¹.
- 4.26. It is proposed that the amount of interest on discretionary service charge loans is the same as the amount which would be charged if the Council were to grant a mortgage under terms of Section 438 of the Housing Act 1985, which is the applicable local rate plus 0.25% for administrative charges which local authorities have been authorised to charge under the Local Authority Mortgage Interest Rates Determination 1993.

⁸ Schedule 7, clause 7 of the lease

⁹ i.e. the options will not be available properties owned by a company, trust or similar vehicle.

¹⁰ This is the rate at which the Council could borrow from PWLB for the period of the loan granted to the leaseholder at the time of lending or at the start of the year as appropriate. It cannot be lower than 3.13%.

¹¹ On the 4 January 2018 home improvement loans were available from 3.99 over periods between 10 and 25 years. http://www.knowyourmoney.co.uk/secured-loans/?adgroup=LSEC01001&gclid=EAlaIqObChMI99vLpbjN1wIViTLTCh1XZwyAEAAAYASAAEgJGpfD_BwE

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. The Council has a fiduciary duty to collect debts due to it. The payment options are designed to maximise efficient debt collection.
- 5.2. The extended interest-free proposal will only be available to qualifying leaseholders within the parameters set within par 4.10. It will bring benefits such as improved affordability and reduced disputes.
- 5.3. The Council could choose to not adopt the extended repayment periods but, this is likely to increase collection costs as the Council having to pursue payment via the debt recovery process and ultimately the Court.
- 5.4. The Council could choose not to reduce interest rates for major works but this will result in longer repayment periods.

6. CONSULTATION

- 6.1. These extended options are proposed following conversations with leaseholders who were worried about paying invoices at the Leasehold Forum meetings.

7. EQUALITY IMPLICATIONS

- 7.1. The new extended interest-free repayment options, the greater flexibility in repayment periods of the discretionary service charge loan and the reduced interest rate is expected to have a positive impact on vulnerable leaseholders (in receipt of state pensions, disabled leaseholders receiving state benefits, those on maternity leave who may have reduced income and any low-income households which are likely to include BME and single parent households).
- 7.2. The interest-free option accommodates conditions of a Sharia-compliant loan.
- 7.3. Implications verified by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. The council has a fiduciary duty to recover all debts owed to it. By making the proposed payments options available to leaseholders the Council is, in effect, giving loans to the leaseholders on concessionary terms. Sections 450A and 450B of the Housing Act 1985 give the Council power to make loans secured by a mortgage on the property but as there is no security these "loans" can be made further to the Localism Act 2011.
- 8.2. Section 1 of the Localism Act 2011 provides a general power of competence for local authorities and replaces the "well being" powers from the Local Government Act 2000. It gives local authorities the same power to act that an individual generally has and provides that the power may be used in innovative

ways. The only restriction is that there must be no statutory prohibition against the proposed action.

- 8.3. Section 3 of the Local Government Act 1999 requires the Council as a best value authority to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness".
- 8.4. Offering and continuing the payment options detailed in this report can be seen as an efficiency measure as the Council may not have to expend resources in chasing late payments.
- 8.5. Implications verified/completed by: Angus Everett, Principal Lawyer -Litigation, tel. 0208 753 2724.

9. FINANCIAL IMPLICATIONS

- 9.1. Based on data provided by Leasehold Services looking at likely billing over the next 5 years an analysis has been carried out that compares interest income on the outstanding balances of major works contribution arising from:
 - i) the currently offered payment plans and interest rate of Bank of England Base rate plus 5% (equates to 5.5%), apportioned amongst the current payment plans as per the recent trend of new payment plans taken out by leaseholders, and
 - ii) the payment options and terms (interest rate of 0.25% plus the council's rate of lending which is currently 3.13%) recommended in this Report apportioned as anticipated by Leasehold Services if the new payment plans and rate of interest is implemented.
- 9.2. This comparison shows the annual equivalent interest income for the HRA will decrease by £48k under the new plans. This is because of the lower interest rate proposed and the increase in the interest free payment plan options.
- 9.3. This will, however, be of benefit to leaseholders. For example, the implication of this for a leaseholder under a 5-year Equal Monthly Instalment payment plan for an invoice of £10k would be an interest saving of £196 in the first year.
- 9.4. However, it is anticipated that the mix of payment options chosen and payment behaviour will change as a result of the additional options being offered, mainly in favour of the options with longer interest-free period followed by an interest bearing period and away from the default/query cases and legal challenge cases. This will have a positive impact on collection.
- 9.5. The table in appendix C shows the potential increase in collection over a 5 year period arising from different levels of shift from each of the default/query/legal challenge cases to the new payment options. Whilst an increase in collection is not guaranteed, if it crystallises it will in the longer term provide additional resources for funding the HRA Capital programme projects and thus ease

pressure off the HRA Capital Financing Requirement (CFR) as well as reducing the amount of resource required for ongoing case management.

- 9.6. There will also be an additional revenue stream in the form of administration fee in the cases of repayment plan for a sum of £12.5k and above that will cover the cost of placing charges on properties giving the Council more security over the collection of debt.
- 9.7. Implications verified/completed by: Sudhir Kafle, Housing Investment Accountant, tel. 02087534391.

10. IMPLICATIONS FOR BUSINESS

- 10.1. If a leaseholder also runs a business in the Borough these extended payment options will assist in their paying their major works charge whilst upholding their commercial obligations.
- 10.2. Implications verified/completed by: David Burns, Head of Housing Strategy, tel. 02087536090

11. IT IMPLICATIONS

- 11.1. The ability to manage payment plans, income recovery and the interest calculation is dependent on a system with a proven track record of delivering on these requirements. The leasehold accounts are managed via Agresso and any replacement system must be tested to ensure that the functionality is available. The requirements are included in the procurement strategy for the housing management system.
- 11.2. Implications verified/completed by: Howell Huws, Head of Contracts and Operations, tel. 0208 753 2927.

12. COMMERCIAL IMPLICATIONS

- 12.1. The changes in the payment options proposed will decrease the annual equivalent interest income for the HRA given the lower interest rate proposed and the increase in the interest free payment plans.
- 12.2. However, the new payment options will benefit the leaseholders, helping them save money on interest fees. This will have a positive impact on collection and the Council could save on spending to expend resources in chasing late payments.
- 12.3. Implications completed by: Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

13. RISK MANAGEMENT

- 13.1. Opportunity and potential downside risks have been identified and presented for consideration within the existing report content, the proposal has been

reviewed against the Council's Corporate risks, benefits of which can be noted as contributing positively to meeting the Customer Needs, Expectations and Maintaining Service Standards risks.

13.2. Implications Completed By: Michael Sloniowski, Risk Manager, tel. 020 8753 2587

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

No.	Description of Background Papers	Name and contact details of responsible officer	Department/ Location
	None		

LIST OF APPENDICES

Appendix A – Terms of Discretionary Service Charge Loans

Appendix B – Benchmarking data

Appendix C – Improved Payment Terms Potential Effect on Collection

Terms of Discretionary Service Charge Loans

1. The loan will be secured on the property to which the service charge relates. A charge will be put in place with the Land Registry. The mortgage agreement for the discretionary service charge loan allows the Council, with the lessee's agreement, to add further amounts to the loan if future service charges for repairs are not paid in accordance with the terms of the lease.
2. A variable rate of interest will be charged. The interest rate will be set at 0.25% above the average council lending rate for the previous year on the loan period, to be reviewed annually.
3. The loan is repayable by monthly instalments due on the 15th day of each month.
4. The loan is granted using the annuity method. This means each monthly instalment in the year is for the same amount. Each instalment consists of interest and principal.
5. In the event of any default on the loan, interest will be charged on the default amount from seven days after the due date. The rate used will be the interest rate charged on the loan at the time
6. The offer of a loan is granted subject to the financial status of the applicant and sufficient equity remaining in the property.
7. The maximum period of the loan is 25 years.
8. The administration charge will be payable before the advance is finalised and will only be added to the loan when no other option is available.

The charge is set at £150 for the period to 31 March 2019, with annual increases thereafter being agreed with the Cabinet Member.
9. Professional fees incurred for placing the charge on the property including valuation, solicitors and land registry fees will be recharged to applicants and payable as (8) above.
10. Discretionary loans will not be given to private companies or any other similar vehicles. Discretionary loans will be given to non-resident leaseholders only in exceptional circumstances and will not be given to leaseholders who own multiple properties.

APPENDIX B

Organisation	Offer prompt payment discounts?	How is it calculated?	Payment options available to subletting leaseholders?	Offer interest free repayment options?	How long?	Offer any interest bearing repayment options?	Interest rate	How long?
Barnet Homes	Yes	2.5% if paid within 28 days	No	Yes	First two years	Yes	?	<ul style="list-style-type: none"> • £5k to £7,5k – 3 years • £7,5k to £15k – 5 years • £15k and above – 10 years.
Brent	Yes	5% if the invoice paid in full within 28 days	Yes	Yes	Up to 24 months	Yes	7.20%	3 years – 10 years
Camden	Yes	5%	No	Yes	<ul style="list-style-type: none"> • Less than £5k up to 12 months • Over £5k up to 24 months • Over £10k up to 36 months • Over £15k up to 48 months • Over £20k up to 60 months 	No	n/a	n/a
CityWest Homes	No	n/a	Yes, only up to 2 years instalments.	Yes	Up to two years	Yes	?	3-5 years
Greenwich	Yes	n/a	Yes	Yes	24 months pending the final account, the instalment arrangement is then reviewed.	Yes	3% above the base rate	Once the final account is available leaseholders have an additional 10 months to pay. Any balance due after this period may be subject to interest.
Hackney	Yes	5%	Yes	Yes	<ul style="list-style-type: none"> • £0-£300 6 months • more than £300 12 months 	Yes	4.50%	<ul style="list-style-type: none"> • £1k or more 24 monthly instalments (if the debt is cleared within 12 months the interest is removed) • Above £5k 36 months (if the debt is cleared within 12 months the interest is removed) • Above £10k 60 months (if the debt is cleared within 12 months the interest is removed)


Organisation	Offer prompt payment discounts?	How is it calculated?	Payment options available to subletting leaseholders?	Offer interest free repayment options?	How long?	Offer any interest bearing repayment options?	Interest rate	How long?
Hammersmith & Fulham	Yes	2.5% of the invoiced amount	Yes, in some cases where the leaseholder only sublets one property	Yes	3 years	Yes	5.50%	5 years, where the first three years are interest free
Harrow	Yes	2.5% if paid within 6 weeks of invoice date.	Yes	Yes	Up to 48 months depending on the value of the invoice.	No	n/a	n/a
Havering	Yes	1.50%	No	Yes	<ul style="list-style-type: none"> • £250-£1500 12 months • £1,501-£3,000 24 months • £3,001-£5,000 36 months • £5,001-£10,000 60 months 	Yes	4%	7 years, the first 5 years interest free for invoices in excess of £10,000
Hillingdon	No	n/a	Yes, maximum 12 months to subletters whereas resident leaseholders can extend	Yes	Usually 12 months for all (residential or subletting leaseholders) or 36 months subject to income and expenditure checks for residential leaseholders	Yes	3.72%	3 to 10 years with interest, subject to legal charge on property
Homes for Haringey	Yes	5%	Yes, a maximum of 36 months	Yes	72 months maximum	Yes	5.19%	Up 120 months with strict conditions
Islington	Yes	5%	Yes, they can spread payments over 24 months interest free	Yes	36 months for resident leaseholders and 24 months for non-resident	Yes	Bank of England Base Rate	<ul style="list-style-type: none"> • Less than £10k 5 years • More than £10k 10 years
KCTMO	Yes	2.50%	Yes	Yes	<ul style="list-style-type: none"> • Under £2,500 up to 12 months interest free • £2,500 to £4,999 up to 24 months interest free • £5,000 to £7,499 up to 36 months interest free • £7,500 to £9,999 up to 48 months interest applied to year 4 • Over £10k up to 60 months interest applied to years 4 and 5 only 	Yes	2% above the NatWest base rate.	<ul style="list-style-type: none"> • £7,500 to £9,999 up to 48 months interest applied to year 4 • Over £10k up to 60 months interest applied to years 4 and 5 only Plus legal costs of £500 as a legal charge will be placed against the property until full settlement of debt.
Lewisham Homes	No	n/a	No, but they have the option to pay up to 10 monthly instalments	Yes	<ul style="list-style-type: none"> • Up to £3k 24 months • More than £3k 36 months 	Yes	5.63%	Any period over the initial interest free period up to 10 years

Organisation	Offer prompt payment discounts?	How is it calculated?	Payment options available to subletting leaseholders?	Offer interest free repayment options?	How long?	Offer any interest bearing repayment options?	Interest rate	How long?
Redbridge	No	n/a	12 monthly instalments on some bills. Longer timeframes may be available on completion of an income and expenditure form.	Yes	<ul style="list-style-type: none"> • Up to £1,500 12 months • £1,500 to £5k 24 months • £5k and above 36 months 	No	n/a	n/a
Southwark	No	n/a	Yes, must pay in accordance with the lease (12 months)	Yes	<ul style="list-style-type: none"> • Under £7,200 36 months • Over £7,200 48 months • May consider up to 72 months interest-free repayments for particularly large invoices 	Yes, Discretionary Service Charge Loan	1.5% above the NatWest base rate	Up to 25 years
Sutton Housing	No	n/a	Yes	Yes	<ul style="list-style-type: none"> • £0-£100 28 days • £100 - £600 12 months (minimum payment of £50 per month) • £600 or over up to 2 years (minimum payment of £50 per month) 	Yes	4.50%	<ul style="list-style-type: none"> • £1,500 - £4,999 up to 3 years (minimum payment of £50 per month) • £1,500 and over up to 10 years (minimum payment of £50 per month) • £3,000 and over Charge placed on property
Tower Hamlets Homes	Yes	5% over £1k	Yes, for invoices over £1,999	Yes	2 years for invoices over £1k	Yes	?	<ul style="list-style-type: none"> • Over £2k first two years interest free and then 3 years interest bearing • Over £10k first two years interest free and then 3-10 years interest bearing
Waltham Forest	Yes	<£10k 1.5% and >£10k 2.5%	No	Yes	<ul style="list-style-type: none"> • Up to £1.5k payable over 12 months • Between £1.5k - £2.5k payable over 18 months • Between 2.5k to £5k payable over 24 months • Over 5k payable over 36 months 	No	n/a	n/a

Improved Payment Terms Potential Effect on Collection

The table below shows examples of the potential increase in collection that would arise from different levels of shift from each of the default/query cases/legal challenge cases to the new payment options. It is estimated this could increase collection over a 5-year period by up to £1.5m.

% shift from each of the default/query/legal challenge case categories	Increase in collection
2%	£296k
4%	£592k
6%	£887k
8%	£1,183k
10%	£1,479k

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">5 MARCH 2018</p>	
<p>LOCAL LETTINGS PLAN – EDITH SUMMERSKILL HOUSE & FORMER NORTH FULHAM HOUSING SITE</p>	
<p>Report of the Cabinet Member for Housing – Councillor Lisa Homan</p>	
<p>Open Report</p>	
<p>Classification: For decision Key Decision: Yes</p>	
<p>Consultation: Borough wide consultation with residents was undertaken.</p>	
<p>Wards Affected: Fulham Broadway</p>	
<p>Accountable Director: Jo Rowlands, Lead Director of Regeneration, Planning & Housing Services</p>	
<p>Report Author: Gerry Crowley</p>	<p>Contact Details: Tel: 020 753 6994 Gerry.Crowley@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The Cabinet Member for Housing on 5 January 2018 authorised the Interim Director of Housing Services to consult on a draft Local Lettings Plan for both Edith Summerskill House and the former North Fulham Housing Office site. The purpose of the Local Lettings Plan is to determine how new affordable homes constructed on both sites will be allocated to eligible residents.
- 1.2. The attached local lettings plan has been prepared to assist in the letting of new affordable homes at both Edith Summerskill House and the former North Fulham housing office site.

2. RECOMMENDATIONS

- 2.1 That the Local Lettings Plan for Edith Summerskill House and the former North Fulham housing office, annexed to this report at Appendix 1, be approved.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The Council wants local people to have greater flexibility to move to larger or smaller accommodation in their locality, thereby using existing accommodation more effectively.
- 3.2 Public consultation has enabled positive feedback from local residents largely in agreement with the Council's plan to prioritise the lettings plan for newly developed homes.

4. PROPOSAL AND ISSUES

- 4.1. The current approach will be replicated as part of an overall policy relating to similar developments in the future.
- 4.2. Future developments currently include Jepson House, Spring Vale and Emlyn Gardens.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. The first aim of this Local Lettings Plan is to support the local community by facilitating as many moves across the Clem Atlee estate.
- 5.2. To use this opportunity to improve housing conditions across the immediate and wider areas by prioritising those households experiencing overcrowding.
- 5.3. To make more efficient use of existing accommodation on the Clem Atlee estate by giving first refusal to existing under occupying households currently living on the Clem Atlee estate. This will reduce the number of under occupying households and release the resulting larger properties to be used for families, thereby further relieving overcrowding.

6. CONSULTATION

- 6.1 The Local Lettings Plan has been the subject of a borough wide consultation process. The consultation was carried out to ensure all residents particularly those living on the Clem Atlee Estate were given the opportunity to comment on the draft Plan. A summary of the responses received to the consultation is attached as Appendix 2. (To follow once the consultation ends).

7. EQUALITY IMPLICATIONS

- 7.1. There are no equality implications at this stage of the process as applicants will need to satisfy the criteria for the Council's Scheme of Allocation. Further considerations will be addressed once public consultation has been concluded.
- 7.2. Implications verified by Peter Smith, Head of Policy and Strategy, Tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. It is noted that consultation is occurring consistently with the necessary principals including ensuring it is occurring at an early stage so that the results of any consultation can be worked into any proposal moving forward.
- 8.2. It is highlighted already within this report and in the appendix that the local lettings policy will need to comply with s166A of the Housing Act 1996 and be consistent with the council's allocation scheme.
- 8.3. It is noted also that further consideration of legal implications will be required once public consultation has been concluded.
- 8.4. Implications verified by: Angus Everett, Principal Housing Litigation Lawyer, Tel. 020 8753 2724.

9. FINANCIAL IMPLICATIONS

- 9.1 The costs of the consultation will be funded from existing budgets.
- 9.2 Implications verified by Kath Corbett, Director for Finance, Tel. 0208 753 3031.

10. COMMERCIAL IMPLICATIONS

- 10.1 This report is undertaking consultation with regards how future development units are going to be allocated to families on a priority basis. This will allow a sensible approach to allocation to be decided with resident buy in. In this case there are little commercial implications in terms of undertaking the consultation.

However, there must be due commercial consideration in the development of assets to provide new accommodation over and above what already exists on the site.

- 10.2 Implications verified by: Simon Davis, Head of Commercial Management, Tel. 0208 753 7181.

11. IT IMPLICATIONS

- 11.1 There are no direct technical implications for the council as the organisations will be using their own IT systems, platforms, hardware and software, and will not interact directly with the council's IT infrastructure. However, there may be information implications. IT advise that the mandatory privacy impact assessments are undertaken by the department to accurately assess whether information sharing agreements and privacy notices need to be implemented or revised given that information may be shared for a different purpose of identifying under occupancy. This will ensure compliance with current data

protection legislation and the GDPR (General Data Protection Regulation).

11.2 Implications verified by: Veronica Barella, interim Chief Information Officer, Tel. 020 8753 2927.

12. BUSINESS IMPLICATIONS

12.1 There are no business implications in relation to the Local Lettings Plan. Local business, employment and skills opportunities have been included in the overall Edith Summerskill House Development.

12.2 Implications verified by Albena Karameros, Economic Development Team, Tel. 020 7938 8583.

13. RISK MANAGEMENT

13.1 The recommendations contribute positively to the management of service risk, ensuring we continue to deliver excellent services to meet the local needs and expectations of the people resident in the borough, risk number 12 of the Corporate Risk Register.

13.2 Implications verified by Michael Sloniowski, Risk Manager, Tel. 020 8753 2587.

LIST OF APPENDICES

Appendix 1 – Copy of Local Lettings Plan for Edith Summerskill House & former North Fulham housing office site.

Appendix 2 – Summary of responses to borough wide consultation. – **To follow once the consultation ends.**

Local Lettings Plan for

Edith Summerskill House & Fulham North Housing Office Site

1.0 Background

- 1.1 The Council is responsible for letting homes to households who need housing either from its Housing Register (people needing affordable rented housing) or its Home Buy Register Scheme (people who wish to access low cost home ownership or homes available at a sub market rent).
- 1.2 Section 166A(6)(b) of the 1996 Housing Act enables housing authorities to allocate particular accommodation to people of a particular description, whether or not they fall within the reasonable preference categories, provided that overall the authority is able to demonstrate compliance with the requirements of s.166A(3). This is the statutory basis for 'local lettings policies' which may be used to achieve a wide variety of housing management and policy objectives.

2.0 Purpose of the Local Lettings Plan

- 2.1 This local lettings policy has been prepared to assist in the letting of new affordable homes at both Edith Summerskill House and the former North Fulham Housing Office. In partnership with Hammersmith & Fulham Council, Peabody Trust will develop Edith Summerskill House and Shepherds Bush Housing Group will develop the former North Fulham Housing Office.
- 2.2 Construction at Edith Summerskill House is due to begin in the summer of 2018 with completion expected in December 2020. The twenty-storey development is expected to deliver approximately 133 new affordable homes made up of 1 and 2 bedroom units of which 80% will be let at social rent level.
- 2.3 Work at the former Fulham North Office will commence April 2018 with completion due in August 2020. The five-storey development is expected to deliver 30 new affordable homes made up of four 1-bedroom and twenty six 2-bedroom units of which 60% will be let at social rent level.
- 2.4 The purpose of the local lettings plan is to set out how newly built properties on both sites will be let and which households will be prioritised for lettings on the estate.

3.0 Objectives of the Local Lettings Plan

- 3.1 The first aim of this Local Lettings Plan is to support the local community by facilitating as many moves across the Clem Atlee estate.
- 3.2 To use this opportunity to improve housing conditions across the immediate and wider areas by prioritising those households experiencing overcrowding.

DRAFT

- 3.3 To make more efficient use of existing accommodation on the Clem Atlee estate by giving first refusal to existing under occupying households currently living on the Clem Atlee estate. This will reduce the number of under occupying households and release the resulting larger properties to be used for families, thereby further relieving overcrowding.
- 4.0 **Criteria for Shortlisting**
- 4.1 All new homes will be allocated to households approved to join the Council's housing register for the purpose of re-housing. Applications will be subject to verification at point of offer.
- 4.2 Approved households will be grouped and prioritised in the following order:
- 4.2.1. First Priority: H&F residents on the housing register and currently residing in the immediate area ie. The Clem Atlee Estate.
- 4.2.2 Second Priority: H&F residents on the housing register and currently residing in the wider Fulham area, ie those residing within the SW6 postcode.
- 4.2.3 Third Priority: All other housing applicants on the housing register.
- 4.3 This approach will be adopted for the first lettings of the newly built homes.
- 4.4 In line with the terms of the Council's housing allocation scheme, successful households within each group will be prioritised on the basis of priority band and then time spent in that band.
- 5.0 **Tenancies**
- 5.1 As landlord for the new development, new tenancies will be issued by the respective registered provider, ie Peabody or Shepherds Bush Housing Group. Tenancies will be granted on a like for like basis for those tenants already in receipt of a social tenancy.
- 6.0 **Timeline of the Local Lettings Plan**
- 6.1 The Local Lettings Plan will be implemented 6 weeks in advance of the units becoming available.
- 7.0 **Consultation and Further Information**
- 7.1 The Council is obliged to consult with those who are likely to be affected by the implementation of this Local Lettings Plan. To meet this obligation, the Council will be consulting with local residents; local landlords; and other local interested parties. **The consultation period for this draft Local Lettings Plan is from 26 January 2018 to 23 February 2018.**

DRAFT

7.2 For further information on this Local Lettings Plan Consultation Draft, contact Gerry Crowley at gerry.crowley@lbhf.gov.uk or on 0208 753 6994

8. **Making Your Comments**

8.1 If you would like to comment on this Local Lettings Plan Consultation Draft, either:


- Visit our consultation portal at www.lbhf.gov.uk/xxxx to make your comments online
- Email your comments to gerry.crowley@lbhf.gov.uk
- Send your written comments to:

Gerry Crowley
Clem Atlee Local Lettings Plan Consultation
Hammersmith & Fulham Council
1st Floor
145 King St
London W6 9XY

8.2 If you are unable to read or understand any part of this document, please contact one of the people identified in Section 7.2 above.

8.3 Submit your comments to us by 23 February 2018.

Agenda Item 12

London Borough of Hammersmith & Fulham		 hammersmith & fulham
CABINET 5 MARCH 2018		
DOMESTIC ABUSE REFUGES DIRECT CONTRACT AWARD		
Report of the Cabinet Member for Health and Adult Social Care: Councillor Ben Coleman & the Deputy Leader of the Council: Councillor Sue Fennimore		
Open report A separate report on the exempt part of the Cabinet agenda provides financial information.		
Classification - For Decision		
Key Decision: YES		
Wards Affected: ALL		
Accountable Director: Lisa Redfern, Director of Adult Social Care		
Report Author: Julia Copeland Strategic Commissioner	Contact Details: Tel: 020 87753 1203 E-mail: Julia.Copeland@lbhf.gov.uk	

1. EXECUTIVE SUMMARY

- 1.1 This report seeks approval for a waiver of the Contract Standing Orders in order to directly award a one-year contract from 1 April 2018 to 31 March 2019 with the option to extend for up to a further 12 months from 1 April 2019 to 31 March 2020, for the provision of refuge accommodation for women and children experiencing domestic abuse.
- 1.2 For safety reasons, LBHF residents do not access local refuges; they access refuges provided by other councils. However, as a socially responsible and compassionate council LBHF is providing this service. The Council provides a range of support and services for borough residents experiencing domestic abuse who stay in LBHF, as set out in the report.
- 1.4 The Council is committed to reducing the harm caused by domestic abuse and the two refuges in LBHF support this strategic priority by providing safe accommodation, onward referrals to specialist services and practical and emotional support to help women and children who have had to leave their homes because of domestic abuse, to rebuild their lives.

- 1.5 The services are well-utilised; achieving good outcomes and valued by residents. Benchmarking with other councils indicates the contract is still competitively priced and represents good value for money.

2. RECOMMENDATIONS

- 2.1 To approve a waiver of the Contract Standing Orders requirement to seek competitive tenders prior to contract award to enable the Council to directly award a contract for the provision of refuge accommodation for women and children experiencing domestic abuse for the period 1 April 2018 to 31 March 2019 with the option to extend for up to an additional 12 months.
- 2.2 To approve a direct award of a contract for the period 1 April 2018 to 31 March 2019 with the option to extend for up to an additional 12 months.

3. REASONS FOR DECISION

- 3.1 A waiver of the Contract Standing Orders requirement for competition is necessary as there are no further extension provisions available in the contract.
- 3.2 A direct award of a contract will enable the Council's new Public Services Reform department to review the refuge services alongside a range of other domestic abuse services funded by the Council while maintaining service continuity. A strategic review is more likely to achieve better outcomes for residents and value for money in the longer term.

4. PROPOSALS AND ISSUES

Background and National Strategic Context

- 4.1 Refuges were forged out of the feminist movement in the 1970's, to provide safe accommodation and support for women and children experiencing domestic abuse; the very first UK refuge was opened in 1971 in Chiswick. For safety reasons, refuges operate as confidential addresses and on the basis that women and their children should not move to a refuge in the area where she has experienced abuse, therefore LBHF residents are not accommodated in the LBHF refuges.
- 4.2 Support for women experiencing domestic abuse is advertised nationally and locally. Nationally women are directed to Routes to Support and will be given a variety of information to meet their needs. Locally, information is shared regularly with key agencies and professionals including solicitors, GP's housing providers, social workers.
- 4.3 In 2003, most of the revenue funding for refuges was incorporated into the Supporting People programme and local authorities acquired the responsibility for their commissioning and contracting. In 2009, the ring-fence on the Supporting People budget was removed and local authorities could choose how these monies were spent. In recent years, Women's Aid, a national umbrella organisation for refuges, and other bodies have raised considerable concerns

about the national reduction of refuge provision and funding. Nationally, a 38% reduction in funding since 2010 is reported.¹

Strategic Importance

- 4.4 The Council is committed to addressing the harm caused by domestic abuse and other forms of violence against women and girls. The Council has a strong track record of working in partnership with statutory and non-statutory partners to deliver our collective ambitions of tackling violence against women and girls, and of supporting survivors of abuse. Locally, we have adopted the United Nations Declaration on Elimination of Violence against Women, which defines violence against women as:

'Any act of gender based violence that results in or is likely to result in physical, sexual or psychological harm or suffering to women [or girls], including threats of such acts, coercion or arbitrary deprivation of liberty.'
(1993, Article 1)

Outcomes

- 4.5 One of the main objectives of the services is to enable residents to move on successfully and rebuild their lives; the contract KPI target for planned moves is 78%. In the last 2 ½ years a cumulative rate of 85% planned moves has been achieved. In the same period, there have been only five evictions and three abandonments which is very low for these types of services.
- 4.6 In 2016-17, nine of the fourteen women living in the refuges at the time responded anonymously to the Hestia annual resident satisfaction survey as follows:
- 78% agreed and 22% strongly agreed with the statement I am satisfied with the service.
 - 56% agreed and 44% strongly agreed with the statement staff are good at linking me into services to help me.
 - 56% agreed and 44% strongly agreed with the statement I am treated by staff with dignity and respect.

5.0 OPTIONS AND ANALYSIS OF OPTIONS

Allow Existing Contracts to Expire on 31 March 2018

- 5.1 This option is not recommended.

Undertake a Procurement and Award a Shorter Contract to Hestia

- 5.2 This option is not recommended.

- 5.3 It is proposed to extend the refuge contract by one year with the option for up to an additional 12 months. The initial one year extension will enable officers in the new Public Services Reform department and from elsewhere in the Council to review the refuges and the VAWG services and develop a procurement strategy

¹ The Independent. 7.3.17

to achieve better outcomes for residents and deliver council strategic priorities.. For these reasons, this option is recommended.

6.0 CONSULTATION

6.1 The service provider has confirmed its willingness to continue to provide services as set out above. Further engagement with residents, suppliers and other stakeholders will be undertaken as part of the service review and the development of the procurement strategy.

7.0 EQUALITY IMPLICATIONS

7.1 There will be no adverse equality implications for protected groups as a result of the extension of these contracts. Overall the impact on women is adjudged as neutral or positive as service continuity will be secured. A strategic review will be undertaken to determine future service provision for women experiencing domestic abuse aimed at improving outcomes.

7.2 Implications verified by Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206.

8.0 LEGAL IMPLICATIONS

8.1 These are set out in the exempt part of the Cabinet agenda.

9.0 FINANCIAL IMPLICATIONS

9.1 These are set out in the exempt part of the Cabinet agenda.

10.0 RISK MANAGEMENT

10.1 These are set out in the exempt part of the Cabinet agenda.

11.0 COMMERCIAL IMPLICATIONS

11.1 These are set out in the exempt part of the Cabinet agenda.

12.0 IMPLICATIONS FOR BUSINESS - LOCAL ECONOMIC AND SOCIAL VALUE

12.1 These are set out in the exempt part of the Cabinet agenda.

13.0 IT IMPLICATIONS

13.1 There are no direct technical implications for the council, as the provider will be using their own IT systems, platforms, hardware and software, and will not interact directly with the council's IT infrastructure. However, there may be information implications. IT advise that the mandatory privacy impact assessments are undertaken by the department to accurately assess whether information sharing agreements and privacy notices need to be implemented or


revised, and whether security checklists need to be completed for the three organisations awarded the contracts outlined in the report and Procurement Strategy. This will ensure compliance with current data protection legislation and the GDPR (General Data Protection Regulation).

13.2 Implications verified by: Veronica Barella, interim Chief Information Officer, 020 8753 2927.

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

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

Contact officer(s): Julia Copeland - Strategic Commissioner Julia.Copeland@lbhf.gov.uk

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>5 MARCH 2018</p>		
<p>YOUNG PEOPLE'S ACCOMMODATION SERVICES DIRECT CONTRACT AWARD</p>		
<p>Report of the Cabinet Member for Health and Adult Social Care: Councillor Ben Coleman</p>		
<p>Open report A separate report on the exempt part of the Cabinet agenda provides financial information</p>		
<p>Classification - For Decision</p> <p>Key Decision: YES</p>		
<p>Wards Affected: ALL</p>		
<p>Accountable Director: Lisa Redfern Director of Adult Social Care</p>		
<p>Report Author: Julia Copeland Strategic Commissioner</p>	<p>Contact Details: Tel: 020 87753 1203 E-mail: Julia.Copeland@lbhf.gov.uk</p>	

1. EXECUTIVE SUMMARY

- 1.1 This report seeks approval for a waiver of the Contract Standing Orders requirement to seek competitive tenders prior to contract award to directly award three contracts (the Contracts) to the incumbent providers of supported accommodation services for young people. It is proposed to award one year contracts from 1 April 2018 to 31 March 2019 with the option to extend for up to a further 12 months from 1 April 2019 to 31 March 2020.
- 1.2 As a socially responsible and compassionate council, LBHF is committed to reducing rough sleeping to zero in Hammersmith & Fulham and to reducing the harm to individuals and communities caused by homelessness. The Contracts in Table 1 provide safe accommodation and practical and emotional support to vulnerable young homeless people and directly contribute to the reduction of homelessness and prevent young people from going into care. The current contracts expire on 31 March 2018.
- 1.3 Proposals regarding the future commissioning intentions have been delayed for the reasons set out in the report. The direct award of three contracts to the incumbent providers will align the end dates with similar services for care

leavers; enable continuity of service while the new Public Services Reform department reviews the Council's future requirements for young people's accommodation services across the whole council and develops the future procurement strategy as well as understand the impact of the Government's future funding proposals for rent and service charges in supported housing.

1.4 The services are well-utilised and achieve good outcomes.

2. RECOMMENDATIONS

2.1 To approve a waiver of the Contract Standing Orders requirement to seek competitive tenders prior to contract award to enable the Council to directly award three contracts for the provision of supported accommodation services to young people to the incumbent providers for the period 1 April 2018 to 31 March 2019 with the option to extend for up to an additional 12 months.

3. REASONS FOR DECISION

3.1 A direct award of contracts to the incumbent providers will enable the Council's new Public Services Reform department to review the services alongside other services for young people services funded by the Council, while maintaining service continuity to vulnerable residents. It is not considered that there is likely to be any cross border interest in these contracts.

3.2 The direct award of contracts up to 31 March 2020 will align the contract end dates with similar services for care leavers and enable the Council to have the option of jointly commissioning all these services, if viable. A strategic review is more likely to achieve better outcomes for residents and value for money in the longer term.

4. PROPOSALS AND ISSUES

Background

4.1 In 2003, the introduction of the national Supporting People programme gave local authorities the responsibility for commissioning and contracting supported housing services in their areas. In 2003, LBHF assumed responsibility for over 150 contracts and more than 220 services and was allocated an annual budget of £14.5m, ring-fenced for supported housing services. The type of services was tightly prescribed and a national framework for the review and management of these services was implemented. In 2009, the ring-fence was removed and local authorities could determine how to spend or not to spend supported housing budgets.

4.2 Following a departmental restructure in 2007-08, the LBH&F Supporting People budget and team was moved from Housing to Adult Social Care; this included services for people not normally eligible for adult social care services, for example; young homeless people; teenage parents and care leavers. Some other councils also moved the budget and responsibilities into adult social care while many kept the responsibility in housing.

Current Services

4.3 The primary objectives of the services are:

- To prevent homelessness of people aged 16-24 years.
- To prevent vulnerable 16 & 17 year olds going into care.
- To enable vulnerable young people to develop the skills and resilience to be independent in adulthood.
- To increase the number of young people in employment, training, or education.

Outcomes

4.4 One of the main objectives of the services is to enable residents to move on successfully and rebuild their lives; the contracts' KPI target for planned moves is 78%. In the last 2 ½ years, all three providers have exceeded their contractual target.

4.5 All contracts are required to produce and implement an annual service development plan to ensure continuous improvement. Progress is monitored through a robust contract management framework.

5.0 OPTIONS AND ANALYSIS OF OPTIONS

Waive the Contract Sanding Orders and Directly Award 12-month contracts with the Option to Extend for an Additional 12 months to the incumbent providers

5.1 This will enable the Council sufficient time to consult with residents and other stakeholders to determine the future commissioning and procurement strategy and ensure new services are in place to improve outcomes and value for money by April 2020. As the timetable in 4.14 sets out, this option will take more than 12 months to achieve but the full second 12-month period may not be required. For these reasons, this option is recommended.

6.0 CONSULTATION

6.1 All three incumbent providers have confirmed their willingness to continue to provide services as set out above. Further engagement with residents, suppliers and other stakeholders will be undertaken as part of the service review and the development of the procurement strategy.

7.0 EQUALITY IMPLICATIONS

7.1 There will be no adverse equality implications for protected groups because of the extension of these contracts. Overall the impact on young people is adjudged as neutral or positive as service continuity will be secured. Service improvements will be achieved through robust monitoring of delivery plans; improved outcomes for residents will have a positive impact on young people.

7.2 Implications verified by Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206.

8.0 LEGAL IMPLICATIONS

8.1 These are set out in the exempt part of the Cabinet agenda.

9.0 FINANCIAL AND RESOURCES IMPLICATIONS

9.1 These are set out in the exempt part of the Cabinet agenda.

10.0 RISK MANAGEMENT

10.1 These are set out in the exempt part of the Cabinet agenda.

11.0 COMMERCIAL IMPLICATIONS

11.1 These are set out in the exempt part of the Cabinet agenda.

12.0 IMPLICATIONS FOR BUSINESS - LOCAL ECONOMIC AND SOCIAL VALUE

12.1 These are set out in the exempt part of the Cabinet agenda.

13.0 IT IMPLICATIONS


13.1 There are no direct technical implications for the council, as the providers will be using their own IT systems, platforms, hardware and software, and will not interact directly with the council's IT infrastructure. However, there may be information implications. IT advise that the mandatory privacy impact assessments are undertaken by the department to accurately assess whether information sharing agreements and privacy notices need to be implemented or revised, and whether security checklists need to be completed for the three organisations awarded the contracts outlined in the report and Procurement Strategy. This will ensure compliance with current data protection legislation and the GDPR (General Data Protection Regulation).

13.2 Implications verified by: Veronica Barella, interim Chief Information Officer, 020 8753 2927.

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

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

Contact officer(s): Julia Copeland - Strategic Commissioner Julia.Copeland@lbhf.gov.uk

London Borough of Hammersmith & Fulham CABINET 5 MARCH 2018		 h&f hammersmith & fulham
FAMILYSTORY: PHASE TWO		
Report of the Cabinet Member for Children and Education: Councillor Sue Macmillan		
Open report A separate report on the exempt part of the Cabinet agenda provides financial information.		
Classification: For decision Key Decision: Yes		
Consultation: <i>Legal, Finance, IT, Procurement</i>		
Wards Affected: All		
Accountable Director: Steve Miley, Director of Children's Services		
Report Author: Amy Buckley, ICT Projects Manager Etienne Steyn, Interim Head of Commissioning		Contact Details: Tel: 07752 943393 amy.buckley@rbkc.gov.uk Tel: 07712 415 102 etiene.steyn@rbkc.gov.uk

1. EXECUTIVE SUMMARY

1.1. The London Borough of Hammersmith and Fulham has an ambition to raise standards in social work for the benefit of local children, young people and families. The FamilyStory project will use technological innovations to work in a family-centric way.

1.2. The current case management systems are quite prescriptive in the way the technology requires practitioners to record their work with families. The intention for FamilyStory is to transform how Councils deliver children's services and therefore create lasting outcomes for families. This project will improve the way in which practitioners interact with families, putting them at the centre of their case. This technology could, for example, use existing applications to conduct

and record interactions with families. Example may include users having the ability to view appropriate parts of their records, practitioners being able to work effectively outside of the office, and data being collected in real time.

1.3. This report seeks approval to enter into Phase 2 of the FamilyStory project that will progress the work done during the Discovery Phase. It will move the design from concept to an initial set of products which will test the viability of this solution.

1.4. The project will take 10 months from the date of approval. The cost of the proposed contract will be no more £180,000 and will be funded from Corporate Reserves.

2. RECOMMENDATIONS

2.1. To agree to enter into Phase 2 of the FamilyStory project, which will progress the work done during the Discovery Phase, moving the design from concept to an initial set of products which will test the viability of this solution.

2.2. To note the options appraisal outlined in Section 5 and undertakes a Single Tender Action Procedure to directly commission FamilyStory, inviting FutureGov to submit a formal tender in response to our specification.

2.3. To approve a waiver to the Contracts Standing Orders as the nature of the market for the works to be carried out demonstrate that such a departure would be justified.

2.4. To approve that FamilyStory be funded through residual PiP of £28,000 and £152,000 from the Corporate Demands and Pressures reserve.

2.5. To approve delegation to the Director for Children's Services and the Director for Public Service Reform, in consultation with the Cabinet Member for Children and Education and the Chief Information Officer for LBHF, any subsequent strategy or contract award decision regarding Stage 2 of the project.

3. REASONS FOR DECISION

3.1. The reason for the waiver is that it is within the Council's best interests given that FutureGov undertook the Discovery Phase in an agile and collaborative way that was unique and specific to this project and is therefore the most capable supplier, and able to deliver efficiencies in cost and time, and support project continuity. The nature of the market for the works to be carried out demonstrate that such a departure would be justified.

3.2. Phase 1 of the FamilyStory was a shared service initiative, across the three Councils, and Phase 2 is intended to continue through partnership working. Partners have awarded a contract to FutureGov to progress development work, which will commence at pace. An opportunity to continue to work in partnership remains viable for a limited time period of 3 months. After this, it will be untenable to support separate development projects and coordinate service inputs effectively.

3.3. Given the benefits of continuing to work in partnership to develop a new service solution, and the benefits of project continuity a Single Tender Action Procedure is recommended.

4. INTRODUCTION

4.1. The FamilyStory project will place children and families at the centre of their case or “story” to build a network of people, carers, caseworks and service providers around them. It is exploring how technology for social care can be radically redesigned to better meet the needs of families, young people and practitioners.

4.2. Phase 2 of the FamilyStory project will build appropriate task driven tools to increase productivity, efficiency and better use of data for practitioners and transparency for families through smarter application of new integrated digital tools. A lightweight integrations layer to existing legacy systems will be explored during Phase 2, which will then inform Phase 3 when the tools can be developed for the live system.

4.3. The FamilyStory technology will reduce bureaucracy and change how we use forms and documents. The aim is to create a new approach that is focussed on families and the impact on outcomes. This will involve methods such as users having the ability to view appropriate parts of their records, practitioners being able to work effectively outside of the office, and data being collected in real time.

5. BACKGROUND

5.1. Central government has prioritised reforming the children’s social care system over recent years, namely the review and reform of social work practice across the United Kingdom. These reforms focus on enhancing the skills and practice of the workforce through the use of systemic practice at all levels.

5.2. As a Partner in Practice with the Department for Education (DfE), funding has been agreed from 2017, to deliver further practice improvement within the London Borough of Hammersmith and Fulham (LBHF), Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC).

5.3. The FutureGov project builds on the work of the Focus on Practice Programme, which seeks to improve the experiences and outcomes for all children and families who receive services across the three boroughs. The core objective is to reduce the number of looked after children and re-referrals to services, as well as improving staff retention.

5.4. Hammersmith and Fulham are engaged in a significant transformation programme to develop a new technology approach to case management for vulnerable children who receive services - one that is flexible and able to support, not hinder practice.

5.5. In October 2016, Children's Services engaged the digital design company FutureGov to undertake a review of current case management systems.

6. PROPOSALS AND ISSUES

6.1. The proposed contract award will enable FutureGov to move the project from a design concept to a workable solution that can be tested with a range of users whilst strategically developing a commercial business model that will raise standards within the sector.

6.2. FamilyStory will change the front-end user experience by developing task driven tools and a lightweight integration layer into legacy social care systems with phased de-commissioning of the legacy systems over time.

6.3. The proposed work for this next phase of the project involves:

- Deliver alpha service/products (pre-release early version that is part of a dedicated testing process) across child protection.
- Fully designed roadmap including architecture (data and integrations) strategy
- Organisation and service change programme
- Full business case including investment as to others within the sector
- Development of a commercial model
- The following major themes would be developed in parallel to get to an alpha service for Child Protection
 - Design and build
 - Data modelling
 - Roadmap for moving the service forward
 - Organisation and Service Design
 - Technology architecture
 - Strategy

6.4. Phase 2 will explore the commercial viability of FamilyStory and support the development of a commercial strategy with the sector as well as developing the tools within the product suite. This will involve market testing and exploring the potential of the products with Partners in Practice first, as well as other types of local authorities. FutureGov's work with DfE and the creation of the What Works Centre for Children's Social Care puts FutureGov in a prime position to do so. FutureGov will also investigate the 'openness' of supplier systems through the use of Application Programming Interfaces (API's).

6.5. Phase 2 will also investigate the cost-savings that could be achieved through internal changes. It will look at the value for money that can be achieved through the product suite by tackling inefficiencies as a result of poor user experience and functionality. What is clear at this stage is that the short to medium-term business model will be predicated on delivering a simpler, more efficient user experience, allowing for significant time saving and use of resources e.g. reduced administrative overhead. As sketched out in the initial concept phase of the project, this has the potential to return this initial investment in cashable and non-cashable savings.

6.6. As well as developing the commercial business case for FamilyStory, FamilyStory Phase 2 will develop a Return on Investment (ROI) Model that allows the Council's to understand savings related to productivity and efficiency gains, as well as any savings that can be realised through the de-commissioning of legacy IT systems. FutureGov's Strategists and team of Business Designers will work with their design teams to understand the impact of FamilyStory on service teams. Tied into the business case FutureGov will work on business modelling for the commercial strategy.

6.7. At this stage, the FamilyStory project has undertaken discovery work on a user and technical level to develop the project vision and concepts underpinning it. This next phase of the project is focused on getting to an effective prototype, most likely focused purely on the child protection service. It is through this phase that some of the assumptions relating to user experience, the relationship to core technology platforms and the wider business model will be tested at a deeper level. This intelligence will be used to create a product for testing with practitioners and families as well as supporting engagement with early adopter councils outside of the three west London boroughs. This phase will identify future funding opportunities.

7. OPTIONS AND ANALYSIS OF OPTIONS

7.1. The Discovery Phase of the FamilyStory project was procured using the G-Cloud 8 Framework. A contract existed between LBHF, who purchased services on behalf of itself and WCC/RBKC, and FutureGov Ltd.

7.2. Intellectual Property Rights to any software, materials or deliverables developed by the supplier for the Customer are vested automatically in the Customer and the Customer shall have the right to assign or license the IPR to any third party. IPR, in relation to the Discovery Phase, is owned by LBHF on trust for itself, WCC and RBKC and that if asked to do so it must assign such rights to either or both WCC and RBKC.

7.3. Phase 2 of this project will progress the work done during the Discovery Phase, to move the design from concepts to alpha products. To achieve this, the chosen sourcing approach and methodology should be one:

- that will yield the best Value for Money (VfM) while taking into account any regulatory requirements
- which is considered to offer a flexible and speedy route to meet our immediate requirements

7.4. The following options were fully explored to ensure value for money and compliance with government policy and the public procurement regulations:

Option 1 – Competitive tendering

7.5. This would involve targeting the market, which will ensure that the procurement process is transparent and conducted in full compliance with the Public Contracts Regulations 2015 and the three Councils' Contracts Standing Orders.

It would involve placing a contract advertisement in the Official Journal of the EU.

7.6. Competitive tendering would also risk a significant loss of momentum and knowledge if a new provider were appointed to deliver phase two. The project has been built in partnership with WCC and RBKC, which delivered significant economies of scale. To continue with different providers, at this stage, would not be beneficial to either the provider or the Council.

Option 2 – G-Cloud Framework

7.7. The Discovery Phase (Phase 1) of the Family Story project was directly commissioned using the G-Cloud Framework (G-Cloud 8, the predecessor of G-Cloud 9). In making this direct award, the local authorities were not challenged on their decision, and while the project has moved from exploratory work to design and development, it would seem logical that the Council would utilise this framework as an appropriate mechanism to commission the next phase of the project.

7.8. Established frameworks for the development of IT software is relatively small and therefore using G-Cloud 9 would present a pragmatic approach to this scenario. Using this framework would enable the Council's to award directly to the supplier that best meets the requirements, using the selection criteria outlined below to deliver the service as set out and the readiness to mobilise quickly.

7.9. The threshold for application of the Public Contracts Regulations 2015 (as amended) is currently £181,302. The value of the proposed contract for no more than c£180,000 for LBHF.

7.10. However, Legal Services have advised that the identified Framework is not suitable for software development. Legal Services believe that the fact that the solution will utilise cloud based software does not bring the framework within scope of this project.

Option 3 – Single Tender Action Procedure

7.11. This options recommends undertaking a Single Action Procedure to directly commission FamilyStory, inviting FutureGov to submit a formal tender in response to our specification.

7.12. This Single Action Tender Procedure will ensure that the supplier is contractually bound to deliver the quality standards and all requirements of the specification to ensure that the resulting products can be used by practitioners to improve how the Council engages with young people and families.

7.13. It is proposed that the award of the contract would be subject to the supplier demonstrating that they can meet the requirements detailed in the specification.

7.14. This would be subject to a waiver to the Contracts Standing Orders. The nature of the market for the works to be carried out demonstrate that such a departure would be justified, as follows:

Efficiency in time and cost

- 7.15. As part of the Discovery Phase, FutureGov undertook extensive work to understand the needs and requirements of children, young people families. Inviting FutureGov to submit a Single Action Tender means a continuation of achieving the outcomes without a loss of momentum or change in vision should the contract be awarded to a different provider.
- 7.16. There is a risk that any new provider would want to re-evaluate the discovery phase and undermine the significant progress made to date given that it would be in their commercial interests to do so. This would not represent value for money for LBHF.
- 7.17. Inviting FutureGov to submit a Single Action Tender would avoid additional costs incurred by the Council. An alternative provider lacks the experience and knowledge gained through the Discovery Phase which would result in delayed delivery of a set of prototypes, a ROI model and efficiencies.

Partnership working and economies of scale

- 7.18. The Discovery Phase proved that efficiencies could be achieved in partnership through economies of scale within this project. Inviting FutureGov to submit a Single Action Tender will ensure that this continues through to the next Phase of the project.
- 7.19. The financial benefit of sharing this initiative outweigh undertaking this work as a sovereign borough. The partnership approach enables the three Councils to achieve greater value for money.
- 7.20. The Bi-Borough decision was taken to award the contract to FutureGov on 11 January 2018 and work will commence immediately and at pace. As part of this decision, the project will remain shared only if LBHF is able to join within a three-month period. After this, it will become challenging for FutureGov to continue to deliver products that are shared between all three boroughs if LBHF funding has not been secured, and H&F would fail to optimise the expected service improvements and financial gains.
- 7.21. Any competitive tendering process will extend beyond the 3 month period. The only tenable option that enables partnership working and continued economies of scale between the three Councils is a contract award to FutureGov subject to them meeting the quality requirements set out in para 7.14.

Supplier Capability and Business Continuity

- 7.22. Phase 2 is a continuation of the Discovery Phase and it is unlikely to attract providers willing to invest significant time, resources and reputation testing something another company has designed. Appointing an alternative provider will also result in the loss of FutureGov and the knowledge and skill gained during the Discovery Phase of this project. This will add to the complexity of the project and the time taken to achieve the desired outcomes.
- 7.23. As the incumbent provider, FutureGov offers business continuity and is a proven capable provider. Through the discovery phase, FutureGov

demonstrated their ability to deliver against the requirements set out by the Council. FutureGov is an established organisation that offers bold programmes and projects to redesign technology in public services, putting families at the centre. This makes the organisation uniquely placed to deliver this innovative and ever-evolving ICT solution for Children's Services.

7.24. FutureGov's approach to agile working has been firmly embedded as a core aspect of this project. This has permeated through to social care and has been a key success factor in this project. It therefore makes the provider unique in that it is needed to continue embedding this approach.

7.25. Given the above, Option 3, a Single Tender Action is being recommended that is compliant with Procurement and Contract Regulations 2015.

8. CONSULTATION

8.1. Over the summer, FutureGov have spent time meeting with other partners in practice as well as social care authorities that they know are looking for a new case management system or an alternative to case management systems. They have also spent time with SCIE (the Social Care Institute of Excellence), DfE, Frontline (the charity that recruit new talent into social care roles), NSPCC and Barnardos as well as various academics from across the sector. FutureGov have also had conversations with Isabelle Trowler, the Chief Social Worker for England.

8.2. FutureGov have engaged heavily with frontline staff throughout the project; from initial 1:1 research to understand the day to day work of social care practitioners; to more recent testing of system prototypes.

8.3. The team have also ensured that families and children are engaged, with service user interviews providing useful insight into their experiences, and guidance on approaches that would be beneficial to them.

8.4. Focused User Testing are 1:1 sessions for users and families to guide them through the system, and allow them to test out prototypes. These focussed sessions are valuable as they allow direct feedback on usability and concept design. Through the Show and Tell sessions Children's Services has informed FutureGov about its work with children, young people and families and promoted the tools and information needed to support that work.

8.5. The representatives from the following teams have been involved in one or more of the testing or show and tell sessions:

Shared Services	Hammersmith and Fulham
Commissioning	Disabled Children's Team
ICT	Family Support and Child Protection
MASH	
Safeguarding	

9. PHASE 3: PRODUCT INTEGRATION AND COMMERCIAL STRATEGY

- 9.1. Following on from Phase 2, the intention is that the Project would move into the Product Integration phase. This would involve the integration to a relevant data product underneath the user experience layer (with a view to replacing de-commissioned legacy systems.)
- 9.2. FutureGov have advised that there is a level of excitement around the potential of this project, which creates a commercial opportunity for the council to work towards. A venture that is 'designed by the sector, for the sector' is as appealing to many, not only authorities that are good but those that are working towards improvement.
- 9.3. To fund the next phase of the project, a strong business case for change will be made to the DfE, through the Innovation Fund. The case for change would be supported by the number of interested local authorities keen to invest in creating a more user-centred system.
- 9.4. Alternatively, the three councils may consider the creation of a Joint Venture (JV), as a means to find the additional funding to develop this product. By creating a marketplace for social care technology, this JV would essentially own the design standards for social care technology meaning that authorities would pay to be part of the marketplace and in the future they can add in their own products (if adhering to the standards).
- 9.5. Trading by a local authority must be done through a company. A JV with private entities can be used where external skills or funding are required. The High Court is currently considering whether a JV can take the form of a limited liability partnership or must be done by a trading company.
- 9.6. It is anticipated that the delivery team costs for Phase 3 to get to a beta service and back end integration across Children Protection would be circa £2million. This would involve the products taken into live environment across Child Protection, back end data integrated with API layers in place, data aligned with corporate strategies, endorsement from Partners in Practice and the DfE, and the commercial strategy rolled out.

10. EQUALITY IMPLICATIONS

- 10.1. The FamilyStory will transform how the council will deliver children's services and create lasting outcomes for families. Giving practitioners more time to spend with families, understanding and navigating risk rather than reporting. It is not envisaged that this will have any negative impact on any characteristics protected by the Equality Act 2010. This will, however, be kept under review and if needed an Equalities Impact Assessment will be completed.
- 10.2. *Implications verified by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.*

11. LEGAL IMPLICATIONS

- 11.1. The Cabinet has power to waive the requirements in Contract Standing Orders for a competitive tendering process prior to letting a contract if they are satisfied that the waiver is justified because:
- (i) the nature of the market has been investigated and is demonstrated to be such that a departure from the CSOs is justifiable, or
 - (ii) in cases of extreme urgency not reasonably foreseen, or
 - (iii) where legislative exemptions apply, or
 - (iv) it is in the Council's overall interest, or
 - (v) in other genuinely exceptional circumstances.
- 11.2. An Inter Authority Agreement with WCC and RBKC should be put in place to deal with IPR, funding and co-operation in respect of the three council's sovereign contracts.
- 11.3. *Implications by: Andre Jaskowiak, Senior Solicitor, Shared Legal Services, tel. 020 7361 2756.*

12. COMMERCIAL IMPLICATIONS

- 12.1. The report seeks approval to waive the Contracts Standing Orders requirements for seeking competitive tenders through an open procedure and invite FutureGov to submit a bid for Phase 2 of the FamilyStory project. The estimated value of the contract is maximum £180,000, which is below the statutory threshold of £181,302.
- 12.2. According to Article 3.1. in the Council's CSOs, waivers can be sought if:
- (i) the nature of the market has been investigated and is demonstrated to be such that a departure from the CSOs is justifiable, or
 - (ii) in cases of extreme urgency not reasonably foreseen, or
 - (iii) where legislative exemptions apply, or
 - (iv) it is in the Council's overall interest, or
 - (v) in other genuinely exceptional circumstances.
- 12.3. Public Contracts Regulations makes reference to the calculation of the estimated value of the procurement:
- 6.—(1) The calculation of the estimated value of a procurement shall be based on the total amount payable, net of VAT, as estimated by the contracting authority, including any form of option and any renewals of the contracts as explicitly set out in the procurement documents.
- 6.—(5) The choice of the method used to calculate the estimated value of a procurement shall not be made with the intention of excluding it from the scope of this Part.
- 12.4 *Implications completed by Andra Ulianov, Procurement Consultant, LBHF Corporate Procurement, tel. 020 8753 2284.*

13. FINANCIAL IMPLICATIONS

- 13.1. The maximum total cost to LBHF for Phase 2 of the FamilyStory project is £180k. The source of funding has not yet been identified; this report seeks Cabinet approval for funding.
- 13.2. There are residual PiP funds of £28k that can be used towards the cost of this project; this leaves £152k of funding to be approved for phase 2. This report is seeking to approve that the remaining costs of Phase 2 of FamilyStory are funded using the Corporate Demands and Pressures reserve.
- 13.3. The project is envisaged to run for 10 months from the date it is awarded. Payments will straddle two financial years with design and technology costs expected to be incurred in 2017/18 (£120k) and strategy, delivery management and contingency (if applicable) expected to be incurred in 2018/19 (£60k).
- 13.4. Some of the costs are potentially eligible for capitalisation (IAS 38 – Intangible Assets). Further work is being done to calculate service potential (future economic benefit) from the asset. However, as a mitigating action in the event that phase 3 implementation does not go ahead, it has been recommended that most costs should not be capitalised at phase 2.
- 13.5. The IP (intellectual property) is owned by the three Boroughs.
- 13.6. It is anticipated that phase 3 of the project (product integration) can be funded through the Innovation Fund via a business case for change to DfE. The case for change is expected to be supported by interest from other local authorities, keen to invest in the new technology.
- 13.7. Other sources of funding for phase 3 will also be explored, however, should the project not progress after phase 2, there is a maximum financial risk of £180k for LBHF. It is expected that the product would still be beneficial at this stage and used by practitioners in engaging with families.
- 13.8. Additional financial implications have been included within Part B within this report. These comments have been included, given the commercial sensitivity nature of the information.
- 13.9. *Financial implications provided by Poonam Gagda, Finance Manager, Children's Services, tel. 020 7745 6687.*

14. IT IMPLICATIONS

- 14.1. Phase 2 of the FutureGov project will include a fully designed roadmap including both data and an integration architecture strategy. The project will change the front-end user experience by developing task driven tools and a lightweight integration layer to interface into legacy systems.
- 14.2. For the solution to be a viable commercial offering, both to the council and prospective customers, it must be capable of integrating with a wide variety of backend systems, and capable of supporting a strategy where the legacy

systems can be decommissioned in the future. The high level principles described in the attached specification (Appendix 2) will support these two drivers, and well as the data protection and General Data Protection Regulation requirements of the council.

- 14.3. The objectives of this project are ambitious and if managed robustly could deliver reduced operational running costs in the form of decommissioned legacy systems as well, as well as a commercial opportunity for external revenue.
- 14.4. The viability of the future solution will require a commercial support model which should be included in the definition of this phase 2 work.
- 14.5. The Project Team will ensure appropriate LBHF Technical representation at Steering Group and Project Board levels, to ensure strategic fit within the wider LBHF Corporate direction.
- 14.6. *Implications verified/completed by: Veronica Barella, Interim Chief Information Officer, tel. 0208 753 2927.*

15 BUSINESS IMPLICATIONS

- 15.1 There is no direct business implications.
- 15.2 *Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.*

16 RISK RISK MANAGEMENT

- 16.1 The Risk Manager agrees that there would be a continuity risk as referenced in 7.16 of the report and the impact of moving to new provider would add some risks to the timescale and delivery of the project. The Council’s IT Project Team will provide an additional form of Technical Assurance at the Steering Group and Project Board levels ensuring they meet the strategic IT needs and expectations of this Council are met contributing to the management of Corporate Risk, 12 Maintaining Service Standards and Delivery. Management of continuity risk is in line with Corporate Risk 6, Business Resilience and 7 Information Management and Digital Continuity.
- 16.2 Implications verified by: Michael Sloniowski, Risk Manager, telephone 020 8753 2587.

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

No.	Description of Background Papers	Name and contact details of responsible officer	Department/ Location
1.	None		

LIST OF APPENDICES:

Appendix 1 - FamilyStory Phase 2 Deliverables

Appendix 2 - FamilyStory Phase 2 Service Specification

FamilyStory Phase 2 Deliverables

Number	Deliverable	Anticipated date	Payment Milestone
1.0	Set up - Project Set Up: <ul style="list-style-type: none"> ● Kick-off meeting ● Project Planning ● Project plan ● Governance, comms and roles agreed ● Stakeholder alignment ● Project show and tells on outputs from phase 1 (including refresh of website from phase 1) 	31/12/2017	
2.0	Set Up - Sprint zero and Research: <ul style="list-style-type: none"> ● Finalise prototype/service re-design areas ● Agree the priorities and fidelity of build for each prototype ● Define measures for testing ● Market analysis and supplier interviews ● Meet key stakeholders ● Meeting with digital and IT teams across the 3 boroughs 	31/01/2018	
3.0	Delivery 1: <ul style="list-style-type: none"> ● Further Testing of the prototype from phase one with users ● Tech research on the architecture requirements: define what data etc. is needed for build ● Research with providers on their systems and understanding capabilities to support FamilyStory ● Sketching and wireframes for build 	31/03/2018	
4.0	Delivery 2: <ul style="list-style-type: none"> ● Define the priorities of the technical build for the design sprints – 	30/04/2018	Second Payment Milestone

	<p>agree the backlog with the team</p> <ul style="list-style-type: none"> ● Client product owner and team are aware of deliverables and jointly help to determine <i>epics</i> for the sprints ● Agree scope of commercial strategy, business case and ROI model 		
5.0	<p>Delivery 3:</p> <ul style="list-style-type: none"> ● Design, development and build of prototypes using agile methodologies ● Show and tells each fortnight on progress and to get feedback from service teams ● Continued two week sprints with up to one month break in between for testing with users ● Daily stand ups with the team 	30/06/2018	
6.0	<p>Test and Evaluate - Testing/Evaluating Products:</p> <ul style="list-style-type: none"> ● Testing digital prototypes with users and staff ● Testing elements of the offline service with users and staff ● Testing the people, policies and processes needed to support this new digital service ● Prototypes matured to 'MVP' (Minimum Viable Product) ● Development of business case and investment ask 	30/07/2018	
7.0	<p>Test and Evaluate - Costed Business Case:</p> <ul style="list-style-type: none"> ● Finalise business case ● Commercial strategy (inc ROI model) ● Plans for full testing in live environment and extension to other areas within the service ● Roadmap for beta ● Impact evaluation ● Gateway decision point 	31/08/2018	Final Payment Milestone

FAMILYSTORY PHASE 2 SERVICE SPECIFICATION

1.	Overview
	<p>The Royal Borough of Kensington and Chelsea, Westminster City Council and the London Borough of Hammersmith and Fulham have the ambition to raise standards in social work for the benefit of local residents, and understand that to do this technology must be at the centre of any innovation. From October 2016 to May 2017, the Royal Borough of Kensington and Chelsea, Westminster City Council and the London Borough of Hammersmith and Fulham undertook a wide spanning FamilyStory Discovery project to reconceive case management in Children’s Services from first principles. Working in a family-centric and user-centric way was and is a central premise for the project.</p> <p>Currently the three authorities are held back by enterprise technology stacks that do not enable practitioners to work in a user-centred way. Instead the current case management systems are quite prescriptive in the way the technology requires practitioners to record their work with families. The intention for FamilyStory is to transform how Councils deliver children’s services and therefore create lasting outcomes for families.</p>
2.	The Outcomes Required
2.1	Introduction
	<p>The aim of the FamilyStory project is to place children and families at the centre of their case or “story” to build a network of people, carers, caseworks and service providers around them. It is exploring how technology for social care can be radically redesigned to better meet the needs of families, young people and practitioners. This next Phase, Phase 2 of the FamilyStory project, will be progressing the work from the Discovery Phase to move the design from concepts to alpha products. It will build appropriate task driven tools to increase productivity, efficiency and better use of data for practitioners and transparency for families through smarter application of new integrated digital tools. A lightweight integrations layer to existing legacy systems will be explored during Phase 2, however a further Project Integration Phase (Phase 3) will be required before these tools could proceed to live.</p> <p>The FamilyStory solution will challenge the previous use of 'forms' as new technology and connected platforms no longer require them. The aim of the solution is to achieve the impact of the requirements set out below, but they would be achieved through a new, targeted approach which concentrates on the impact to users, council and practitioners. This will involve methods such as users having the ability to view appropriate parts of their records, practitioners being able to work effectively outside of the office, and data being collected in real time.</p> <p>Specific outcomes required of the FamilyStory solution are shown below under the outcome domains of:</p> <ul style="list-style-type: none"> • Usability • Support Social Work Practice • Family Level Recording • A Child’s Life Journey • Professional Judgement • Management Oversight

	<ul style="list-style-type: none"> • Management Reporting • Security and Information Governance Requirements
2.2	Usability
	<p>The FamilyStory solution is required to support the day to day operations of case management, and to empower and motivate workers to record accurately and punctually.</p> <p>Functional examples of how this could be achieved include:</p> <ul style="list-style-type: none"> • Consistency of positioning and use of buttons and terminology • Multiple screens and documents across all cases can be open at the same time • Learnability <ul style="list-style-type: none"> ○ Minimal training, if any is required • Intuitiveness <ul style="list-style-type: none"> ○ A new user to the solution can navigate, find information and accomplish basic tasks first time ○ A new user to the solution can easily understand and use the options available • The menu items available relate to the needs of the user and are grouped effectively • Information on the case is accessible from one screen • Attachments can be linked to, and accessed from, the area to which they relate • Drag and drop attaching is available • Ergonomically friendly including/supporting voice activated software and keyboard shortcuts • Supports mobile working by having automatic resizing for different mobile devices
2.3	Support Social Work Practice
	<p>The FamilyStory solution is required to support rather than drive social work practice to ensure a clear focus on the family and children’s best interests throughout.</p> <p>Functional examples of how this could be achieved include:</p> <ul style="list-style-type: none"> • The solution provides an easy-to-find summary of a case which shows the case members, the allocated workers and professionals involved, and important indicators e.g. CP, LAC • The solution allows for all interactions on the case to be viewed in one place in chronological order so that the titles can be viewed at a glance and the documents accessed with a click. • The ability to drill down from case level interactions to those of an individual in the family • The solution can draw attention to critical incidents and work undertaken at family and individual level. • Workers can initiate work, independently of previous actions and other people’s work, in order to allow fast progression of workflow. • There is ability to approve/complete work without having to assign future work at that point. • There is ability to pull forward relevant information to avoid duplication of effort. • Recommendations by workers are clearly recorded and easy to find and

	<p>distinguish from those of managers.</p> <ul style="list-style-type: none"> • There is ability to measure time required to complete work and provide reminders when work is due to be completed and when overdue. • The solution can provide a link to context sensitive practice guidance. • The solution has the ability to produce appropriate versions of assessments, plans and reviews for sharing with e.g. children. • The solution supports secure mobile working.
2.4	Family Level Recording
	<p>The FamilyStory solution will allow for seamless family based case recording where the family's history and story is at the heart and family members are in a single case record.</p> <p>Functional examples of how this could be achieved include:</p> <ul style="list-style-type: none"> • There is the ability to record a case that contains multiple family members and keeps the information about all case members in the one area. • Only one referral, assessment and review per case is required whilst at the same time allowing for extraction of information at family or individual child level. • When users search for and find an individual in the solution, they are navigated directly to the family case record and not to the individual's record. The individual's record can be accessed from the family case record. • The solution supports building of a Chronology at case level. • The solution allows the users to view, add and edit information for all case members or selected case members in a single action.
2.5	A Child's Life Journey
	<p>The child's history and story (including the journey from needing to receiving support and their engagement with intervention) can be followed in the solution</p> <p>Functional examples of how this could be achieved include:</p> <ul style="list-style-type: none"> • The solution highlights the main points of decision and planning e.g. Referrals, Assessment. • The solution supports building of a Chronology at child level as well as at case level. • Ability to record the child's views and how they participated/engaged with professionals and in progressing their outcomes. • Ability to enable the child to contribute their views and feedback directly to the service.
2.6	Professional Judgement
	<p>The FamilyStory solution allows maximum professional judgement and minimum prescription so that workers can exercise their professional judgement more effectively to improve outcomes for vulnerable children.</p> <p>Functional examples of how this could be achieved include:</p> <ul style="list-style-type: none"> • The solution is designed to allow minimal prescription.

	<ul style="list-style-type: none"> • The solution must enable workers to record professional judgement flexibly and not restrict to tick boxes and drop downs recorded • The solution must enable workers' recommendations and reasoning to be clearly recorded. • There is flexibility for the worker to set timescales on a case-by-case basis for assessments and reviews.
2.7	Management Oversight
	<p>The FamilyStory solution supports the management to oversee and review effectiveness of work undertaken, reducing risk of error in professional judgement and assisting with strategic planning.</p> <p>Functional examples of how this could be achieved include:</p> <ul style="list-style-type: none"> • Managers can see the cases in their service area or team area including progress of the case, current allocated workers, important indicators (e.g. CP, LAC) and when work is due. • The solution encourages managers to read through a document before signing off by taking them to the start of the document. • The recommendations and sign off are completed and held in the document. • Management decisions are clear and easy to find • The solution supports the recording of supervision and audits to outline professional reasoning and planning.
2.8	Management Reporting
	<p>Children's journeys through the service can be mapped by data produced from the solution to inform discussions about local practice and meet statutory reporting needs.</p> <p>Functional examples of how this could be achieved include:</p> <ul style="list-style-type: none"> • The solution enables the production of statistics for data returns • The solution enables production of regular management reports • The solution enables the extraction of data to produce predictive models. • Management information specialists can produce ad hoc reports • Reports are available as required and dynamically updated. • Managers are able to select criteria (e.g. team, time frame) and run reports themselves for their specific needs. • There is flexibility to adapt quickly to new reporting requirements
3.0	Security and Information Governance Requirements
	<p>The security and information governance requirements for the solution are a statement of functional need that administrators of the solution will need in order to meet security by design principles. The security and information governance requirements are defined below.</p> <ul style="list-style-type: none"> • Users must authenticate access with a user name and password • The solution can support single sign on through Active Directory • The solution can support additional 2 factor authentication to be applied on a

flexible basis

- The solution to have a locally configurable lock out facility after a given period of logged on inactivity
- The solution can facilitate the lock down of records to specific end users
- The solution can have role based security for both records and reports
- The solution can have the facility for encryption for electronic transfer
- The solution to enable full audit trail supporting at a service user the full history of access, revisions and deletions by date and end user. The date and time the end user has logging in and out is recorded, the IP address from which access has been made, failed logons
- The solution to ensure the following information regarding user administration is captured: end users created or deleted, changes to the access levels of end users, changes to the system parameters
- The solution is capable of being configured so that relevant support areas can be delegated to the Service Desk such as account record locks
- The solution to capture system messages within the audit trail
- The solution to allow authorised users access to the audit trail but no one should be allowed to change or delete an entry
- The solution to maintain a history of previous values for all basic demographic information (example: addresses, person names)
- The solution to prevent simultaneous editing of a record
- The prospective supplier should set out what policies and procedures are in place to ensure that any staff access to personal data held on the supplier system is controlled and audited
- The prospective supplier to set out what policies and procedures are in place to ensure that any staff accessing personal data have enhanced DBS clearance
- Password standards including length, character combination, and password aging to be configurable
- The solution to enable the electronic resolution of forgotten user IDs and password by Service Users, End Users and Service Providers
- The solution to allow authorised users to be given a list of users who have accessed particular files
- The solution to allow both the irretrievable deletion of, and the deactivation and archiving of, data that is no longer necessary
- The solution must adhere to the RBKC, WCC and LBHF Information Security Policies
- The solution is designed to allow integration with corporate business intelligence tools through such technologies as open Application Programming Interfaces (APIs)
- The solution is agnostic of existing backend social care systems which it interfaces into
- The solution is agnostic of underlying operating systems


	<ul style="list-style-type: none"> • The solution can support virtualisation platforms and application delivery, such as VMWare Horizon or Citrix • The solution is agnostic of the underlying devices being used to access the system and is capable of automatic resizing for different screen sizes • If the system is to be externally hosted, the supplier should have formal ISO 27001 certification for all elements of the service delivered to the council(s). • For access from untrusted networks (e.g. the internet) two factor authentication should be mandatory. • For access from untrusted networks, any web traffic should be protected using TLS 1.1 or later. • Access from web-browsers which do not support TLS 1.1 or later should be blocked. • If council data is stored on mobile devices, either the device or the data must be encrypted. • It should be possible to prevent access from non-corporate or unmanaged mobile / remote devices. • Managed mobile / remote devices should implement the control set published by the UK National Cyber Security Centre at: https://www.ncsc.gov.uk/guidance/end-user-device-security • Ability to link records i.e. if a person moves from one household/family to another • Track/identify duplicate records/entries
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4.0	Commercial Strategy
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	<p>Following on from Phase 2, the intention is that the project would move into the Product Integration Phase. This would involve the integration to a relevant data product underneath the user experience layer.</p> <p>Phase 2 will be as much about defining, testing and developing the commercial strategy with the sector as well as developing the tools within the product suite.</p> <p>Phase 2 will also investigate the cost-savings that could be achieved through internal changes. It will look at the value for money that can be achieved through the product suite by tackling inefficiencies as a result of poor user experience and functionality.</p> <p>Final Outputs of Phase 2 will include:</p> <ul style="list-style-type: none"> • Finalise business case • Commercial strategy (inc ROI model) • Analysis of funding options and recommendations • Plans for full testing in live environment and extension to other areas within the service • Roadmap for beta • 1 Minimum Viable Product (MVP)
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	<ul style="list-style-type: none"> • A technical architecture design • Implementation plan of MVP • Impact evaluation • Gateway decision point
5.0	Contract Management
	<p>Project Deliverables will be set out in the following contract documents:</p> <ul style="list-style-type: none"> • FamilyStory Phase 2 Service Specification • FamilyStory Phase 2 Deliverables <p>Payment milestones will be attached to Delivery milestones, as per the Call-off contract's charges and payment details.</p>

Agenda Item 15

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET 5 MARCH 2018</p>	
MAKING LONDON A NATIONAL PARK CITY	
Report of the Cabinet Member for Environment, Transport & Residents' Services – Councillor Wesley Harcourt	
Open Report	
Classification - For Decision Key Decision: Yes	
Wards Affected: All	
Accountable Director: Mahmood Siddiqi - Director, Transport, Highways Parks & Leisure	
Report Author: Nicholas Austin – Director for Environmental Health	Contact Details: Tel: 020 8753 3904 E-mail: nick.austin@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report seeks formal endorsement of the campaign to make London the world's first 'National Park City'.
- 1.2. The National Park City campaign is seeking the support of organisations, individual wards, and ward councillors across London to add weight to its campaign.

The aim is for Londoners to declare Greater London the world's first National Park City and to help;

- Ensure 100% of Londoners have free and easy access to high-quality green space
- Connect 100% of London's children to nature
- Make the majority of London physically green
- Improve London's air and water quality, year on year
- Improve the richness, connectivity and biodiversity of London's habitats
- Inspire the building of affordable green homes
- Inspire new business activities

- Promote London as a Green World City
- Nurture a shared National Park City identity for Londoners.

2. RECOMMENDATIONS

- 2.1. To endorse the campaign to make London the world's first 'National Park City'.
- 2.2. To encourage all Hammersmith and Fulham councillors to declare their ward's support for the scheme.
- 2.3. To note that the process to declare support is straight forward and can be done via the following web site -
http://www.nationalparkcity.london/ward_support

3. REASONS FOR DECISION

- 3.1. Progressing the proposals to make London a National Park City was a recommendation of the resident-led Biodiversity Commission, which was charged by the Council to examine the issues affecting biodiversity in the borough.
- 3.2. Cabinet on 15th January 2018 welcomed the Biodiversity Commission's report findings and resolved that the Council promotes the findings and recommendations.
- 3.3. In December 2017, following work by the Council's Parks Commission and the Council's pledge to protect open space, Cabinet agreed to give special protection to many of the borough's green spaces, preserving them in perpetuity for future generations.
- 3.4. The aim is that an individual 'deed of dedication' will be created with open spaces charity Fields in Trust (FiT), while also working closely with local park groups. FiT has already declared their support for the National Park City initiative.
- 3.5. The Council wishes to build social, economic, and physical environments that create the necessary conditions to protect, promote, and support health and well-being. It is aiming to ensure that all public policies contribute to protecting and improving people's health and well-being.
- 3.6. The protection of the borough's green spaces reflects the Council's determination to be the best in the country. It has strong links to our Community Sport and Physical Activity Strategy (CSPAN) (2017-21), and the Health and Wellbeing Strategy aiming for the borough to be a "Healthy, Caring Place". Specifically, this will support a life course approach - "start well, stay well and age well" and will seek to reinforce 'health prevention is better than cure'.
- 3.7. One of the direct benefits of the Council's previous decision to work with FiT and protect our parks in perpetuity is that the Council has already secured a £5,000 revenue grant aimed at creating a project to get inactive community members more active.

- 3.8. The working partnership with FiT should also enable the Council to benefit from their positive associations with a number of national organisations across the country. These formal partnerships include: The Lawn Tennis Association (LTA), Rugby Football Union (RFU), Football Association (FA), Sport England and the Heritage Lottery fund.

4. INTRODUCTION AND BACKGROUND

- 4.1. The Council is determined to become the greenest borough in the country. We want to entice wildlife to our streets, parks, and gardens. We will ensure that future developments in the borough are more environmentally-focused than ever before, encouraging spaces for nature, and improving the quality of life for everyone in Hammersmith & Fulham.
- 4.2. All our green spaces, including the 13 parks and open spaces managed by the Council that have been awarded Green Flag status, are valued, and provide many health and recreation benefits for residents.
- 4.3. In December 2017, as part of the Council's ambition to be the best and most environmentally positive borough in the country, Cabinet agreed to give special protection the borough's green spaces, preserving them in perpetuity for future generations through a deed of dedication with FiT, ensuring these treasured spaces can be enjoyed for many years to come.
- 4.4. London's overall landscape is central to our health and prosperity and the quality of the capital's built and natural environment – its green, blue, and open spaces – is what makes it one of the world's most desirable cities in which to live, work, and invest.
- 4.5. Over the last 18 months, a movement has been growing in London to make the city a greener, healthier, fairer and even more beautiful place to live. The objective of the movement is to achieve National Park City status for Greater London.
- 4.6. The Greater London National Park City initiative has already gained support from more than 100 organisations, ranging from small community groups to universities and large companies. In addition, the London Assembly unanimously passed a motion to help develop the proposals and further support has been given from Parliament and local government.
- 4.7. The aim is for Londoners to declare Greater London the world's first National Park City and thereby help to:
- ;
- Ensure 100% of Londoners have free and easy access to high-quality green space
 - Connect 100% of London's children to nature
 - Make the majority of London physically green
 - Improve London's air and water quality, year on year

- Improve the richness, connectivity and biodiversity of London's habitats
- Inspire the building of affordable green homes
- Inspire new business activities
- Promote London as a Green World City
- Nurture a shared National Park City identity for Londoners.

5. PROPOSAL AND ISSUES

- 5.1. The London National Park City initiative has three core aims:
1. Connect more people to nature and the outdoors, improving their health, wellbeing and social cohesion
 2. Create high quality greenspace and better places in London, delivering improvements for wildlife, people's enjoyment and an attractive and sustainable environment for living and working in
 3. Promote the identity of London as the world's first National Park City, helping residents and visitors to appreciate the potential for a rich cultural life anchored in its outdoor heritage.
- 5.2. It is also working to link people who live in London and other cities to the national and international family of nature reserves, national parks and other protected areas. Two of its targets are to connect 100% of London's children to nature, and to make more than 50% of London physically green and blue.
- 5.3. To become a National Park in England, Natural England (the Government's adviser for the natural environment in England) "must view a landscape as an extensive tract of country".
- 5.4. London, with its distinctive, urban natural and cultural heritage, historic landscape, and many opportunities for outdoor recreation, meets many requirements for becoming a National Park. However, it isn't considered an extensive tract of country in the spirit of existing legislation. As such, the intention of this initiative is to transform Greater London into a National Park City, a new kind of National Park that sits outside of current legislation.
- 5.5. London can become a National Park City once the majority (328) of London's 654 wards, the Mayor of London, and the London Assembly have declared their support.
- 5.6. As at 13th February 2018, the total number of London wards declared is 346 (52.9%). For Hammersmith & Fulham, Munster, Palace Riverside, Parsons Green and Walham, Ravenscourt Park, Sands End, Town. 6/16 (38%) are currently showing as declared on the London Park City Website. The campaign is now set to work with the London Mayor and other stakeholders to take this forward. It would therefore be a timely point for the borough to confirm its commitment to the campaign.

- 5.7. 85% of Londoners think that making London a National Park City is a good idea and 84% think that it is something London Councils and the Mayor of London should support.
- 5.8. Councillors can declare their wards support for the scheme at: http://www.nationalparkcity.london/ward_support website (see Appendix 1 – Declaration of Support).

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. It is intended that the London National Park City will:
- be privately and commercially funded, and not require any public funding
 - avoid duplicating work being done by others
 - not have any formal planning powers or add new layers of bureaucracy
 - not manage any parks
 - add value by creating an unprecedented opportunity to make London not just a political, financial and cultural centre, but an ecological centre too.
- 6.2. No funding is being sought from London's councils or central government. The National Park City Foundation will be funded through a mixture of private giving, corporate giving, and corporate services.
- 6.3. Given the importance of keeping London's ability to grow, develop and remain the dynamic city it is, London cannot adopt the planning restrictions that National Parks have. Instead, being a National Park City presents an opportunity to build green infrastructure and services, creating a more sustainable long-term future for London.
- 6.4. Creating new housing remains a priority in London. If London becomes a National Park City, it is hoped this will encourage the creation of more sustainable, better connected, denser, greener, higher quality housing with more cohesive communities and networks and with a stronger and greener sense of place.
- 6.5. Unlike the UK's other National Parks, London National Park City would not control development or prepare planning policies. These powers would remain with the Greater London Authority, the 32 London boroughs, and the City of London Corporation. It is not intended to add another layer of bureaucracy to decision-making in London.
- 6.6. In 2017, the Mayor of London committed to making London a National Park City by applying some of the key principles of National Parks to London. His draft Environment Strategy stated that London being a National Park City would mean 'giving everyone opportunities to experience, enjoy and benefit from the natural environment. It would also highlight the uniqueness of the city's green infrastructure. In addition, it would be better managed to the benefit of people and nature, and the economy of the city on which all Londoners depend.'

- 6.7. The definition of a National Park City in the Mayor's draft Environment Strategy is a 'city where people and nature are better connected'. According to the strategy, it will bring opportunities to create a common vision of the environmental, social and economic benefits of London's green infrastructure. It will provide a framework to promote investment in London's natural capital and green infrastructure, and will ensure effective coordination, better valuation and more innovation from all those involved in protecting and enhancing London's Environment.

7. CONSULTATION

- 7.1. The Strategic Leadership Team have been consulted on this report.

8. EQUALITY IMPLICATIONS

- 8.1. It is not expected that there will be any negative implications for protected groups in making London a National Park City. However, any new landscaping of public areas may have negative impacts on some disabled people if it reduces accessibility to public space. The Council is establishing a co-production framework within the new Public Services Reform Department and this will be used to ensure that access to the public realm will be maintained or enhanced by any environmental improvements across the borough.
- 8.2. Implications completed by Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206.

9. LEGAL IMPLICATIONS

- 9.1. There are no legal implications arising from this report.
- 9.2. Comments completed by Rhian Davies, Monitoring Officer, tel. 0208 753 2729.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. There are no direct financial implications arising from the recommendations in this report.
- 10.2. Comments completed by Mark Jones, Director for Finance and Resources, tel. 020 8753 6700.

11. RISK MANAGEMENT

- 11.1. Air quality, climate change and flooding are costly environmental issues that do not respect borough boundaries. All of these can be mitigated by a strong greening strategy that boosts natural habitats and improves biodiversity. The National Park City would help to deliver London's enormous potential to become an even better environment for wildlife.

11.2. There is an incredible opportunity to harness community power to improve the quality of London's urban habitats and environmental risks.

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

12. IMPLICATIONS FOR BUSINESS

12.1. There are no implications from any impact of the proposals in the report on businesses in the Borough.

Implications verified by David Burns, Head of Housing Strategy, 0208 753 6090.

13. COMMERCIAL IMPLICATIONS

13.1. There are no commercial implications arising from this report.

Comments completed by Joanna Angelides, Procurement Consultant, tel. 0208 753 2586.

14. IT IMPLICATIONS

14.1. There are no direct technical implications arising from the recommendations in this report. If any technical systems are engaged at later date in the initiative, then IT Services will need to be consulted to assess any potential implications.

14.2. If the proposed partnership working with local community groups (see paragraph 3.4) involves the handling and/or sharing of personal or official sensitive data then a Privacy Impact Assessment will be required asap to ensure all potential data protection risks are properly assessed and mitigating actions agreed and implemented to ensure effective and efficient collaboration, some of which will need to be included in the forthcoming tender packs. For example, a contract schedule or SLA that includes or incorporates H&F's information sharing agreement template.

Implications verified by: Ciara Shimidzu, Head of Information and Strategy, tel. 020 8753 3895.

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

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

Appendix 1 – Declaration of Support

“In recognition of London’s extraordinary, inspirational and distinctive living landscape; its ability to give, support, home and bring joy to life, and the will of Londoners to unlock its awesome natural potential, we declare that Greater London should become the world’s first National Park City.

World renowned for its cultural heritage and as a centre of global commerce, it’s also a place where people and wildlife live together. National Park City status celebrates London’s significant natural heritage, recognises its value in supporting and improving the lives of residents and visitors, and affirms that a healthy environment is essential to the prosperity of any city.

The London National Park City exists in recognition of all that has been done and will be done to conserve, enhance and benefit our natural, cultural and built heritage, and to inspire us all to build a greener, healthier and fairer city.

This Declaration celebrates the extraordinary diversity and interdependence of London’s people, communities, places, wildlife, habitats and ideas. It recognises that all residents and visitors have the potential to positively shape the Greater London National Park City, and that it exists to benefit and be enjoyed by all.

This Declaration calls for a London National Park City Partnership to be established, and challenged to inspire and support individuals, groups and organisations to better enjoy, understand and care for our city; to protect and enhance our natural and cultural heritage, and foster the wellbeing of communities.

In recognition of all this, I give my support for London to be declared a National Park City.”

NOTICE OF CONSIDERATION OF A KEY DECISION

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

NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE

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

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

KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 5 MARCH 2018 AND AT FUTURE CABINET MEETINGS UNTIL APRIL 2018

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 2017/18

Leader:	Councillor Stephen Cowan
Deputy Leader:	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 Ben Coleman
Cabinet Member for Children and Education:	Councillor Sue Macmillan
Cabinet Member for Finance:	Councillor Max Schmid

Key Decisions List No. 63 (published 2 February 2018)

KEY DECISIONS LIST - CABINET ON 5 MARCH 2018

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

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

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

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet <i>(other relevant documents may be submitted)</i>
5 March 2018				
Cabinet	5 Mar 2018	<p>Corporate Property Services Framework</p> <p>The report outlines revised LOTS to ensure external advice can be secured on a wide range of property advice to ensure the administrations outcomes on assets are delivered</p>	Cabinet Member for Finance	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
		Contact officer: Nigel Brown Tel: 020 8753 2835 Nigel.Brown@lbhf.gov.uk		
Cabinet	5 Mar 2018	<p>Legal Case Management System</p> <p>This paper seeks Cabinet approval for the procurement of a new case management system for LBHF legal services through the Crown Commercial Services' G-Cloud 9 Framework that will enable legal services to deliver value for money and provide high quality services.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act</p>	Cabinet Member for Finance	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
		Contact officer: Naik Sucheta Sucheta.Naik@lbhf.gov.uk		

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
		1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	5 Mar 2018 Reason: Expenditure more than £100,000	<p>Access to the LGRP Framework</p> <p>The report provides the rationale for approval for the council to have the ability to access the LGRP Framework.</p> <p>The Framework covers 4 Lots with suppliers listed on each lot (Executive Search Permanent (roles over £70K) & Interim Recruitment (all roles) , Permanent Recruitment (roles between £30 - £70K), HR Consultancy and HR Marketing Solutions) . Award of individual contracts under the framework and respective lots will be by service departments as the need arises and in accordance with the requirements of the framework, the Council's Contract Standing Orders and internal processes in place.</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> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Veronique Vermeer Tel: 07747 007300 Veronique.Vermeer@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Mar 2018 Reason: Income more than	<p>Payment options for leaseholders receiving major works</p> <p>Reviewing the current payment options and seeking approval to</p>	<p>Cabinet Member for Housing</p> <hr/> <p>Ward(s): All Wards</p>	A detailed report for this item will be available at least five working days before the date of the meeting and

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	£100,000	extend the payment periods in line with the value of the invoice received.	Contact officer: Jana Du Preez Tel: 020 8753 4242 Jana.DuPreez@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Mar 2018 Reason: Expenditure more than £100,000	<p>Contract extension request for Behaviour Change contracts</p> <p>This report seeks the Cabinet approval of a contract extension of the Healthy Hearts contract for one year and a direct award to extend the Stop Smoking Service contract for nine months to make them co-terminus. This is to ensure the Public Services Reform department has sufficient time to look into possible re-procurement options without the need for further Direct Awards whilst continuing with high performing contracts for our residents.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Health and Adult Social Care</p> <p>Ward(s): All Wards</p> <p>Contact officer: Christine Mead, Neil Colquhoun Tel: 020 7641 4662, Tel: SOCNECO cmead@westminster.gov.uk , Neil.Colquhoun@rbkc.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Mar 2018 Reason: Expenditure more than £100,000	<p>Domestic Abuse Refuges Direct Contract Award</p> <p>It is proposed to directly award a contract to the incumbent provider of refuge accommodation services to women and children experiencing domestic abuse.</p>	<p>Cabinet Member for Health and Adult Social Care</p> <p>Ward(s): All Wards</p> <p>Contact officer: Julia Copeland</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

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		<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Tel: 0208 753 1203 julia.copeland@lbhf.gov.uk	and / or background papers to be considered.
Cabinet	<p>5 Mar 2018</p> <hr/> <p>Reason: Expenditure more than £100,000</p>	<p>Young People's Supported Accommodation Direct Contract Awards</p> <p>The direct award of three contracts to the incumbent providers of supported accommodation services for vulnerable homeless young people</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Health and Adult Social Care</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Julia Copeland Tel: 0208 753 1203 julia.copeland@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>5 Mar 2018</p> <hr/> <p>Reason: Expenditure more than £100,000</p>	<p>FutureGov FamilyStory Phase 2</p> <p>LBHF, WCC and RBKC Children's Services have completed a 6 month engagement with supplier FutureGov to explore how technology for social care could be radically redesigned to meet the needs of families, young people</p>	<p>Cabinet Member for Children and Education</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Amy Buckley, Etiene Steyn Tel: 0207 361 2202,</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

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		<p>and practitioners. The next phase of work is to move the design from a concept to workable solutions. It is for a 12 month engagement to change the front-end user experience by developing task driven tools and a lightweight integrations layer across child protection.</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>	Amy.Buckley@rbkc.gov.uk>; , Etiene.Steyn@rbkc.co.uk	and / or background papers to be considered.
Cabinet	5 Mar 2018 Reason: Affects 2 or more wards	Local Lettings Plan – Edith Summerskill House & Former North Fulham Housing Site Allocation process for allocating properties to residents on the Clem Atlee Estate, Fulham and then the wider borough	Cabinet Member for Housing Ward(s): Fulham Broadway Contact officer: Glendine Shepherd Tel: 020 8753 4148 Glendine.Shepherd@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Mar 2018 Reason: Expenditure more than £100,000	Resolution to appropriate land at Edith Summerskill House and Watermeadow Court from housing to planning purposes The report requests approval for delegated authority to grant resolution to appropriate rights affecting Edith Summerskill House and Watermeadow Court in order to deliver new housing.	Cabinet Member for Economic Development and Regeneration Ward(s): All Wards Contact officer: Matthew Doman Tel: 02087534547 Matthew.Doman@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

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		<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>		papers to be considered.
Cabinet	<p>5 Mar 2018</p> <hr/> <p>Reason: Expenditure more than £100,000</p>	<p>King Street Town Hall Regeneration Project</p> <p>This report will give a update on the King Street Town Hall Regeneration Project. This includes an update on the new proposal for this site.</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 Economic Development and Regeneration</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Archie Adu-Donkor, David Burns</p> <p>Archie.Adu-Donkor@lbhf.gov.uk, David.Burns@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>5 Mar 2018</p> <hr/> <p>Reason: Affects 2 or more wards</p>	<p>Policy changes to the collection of council tax</p> <p>A report that seeks to change policy with regard to bailiffs and to committal proceedings and to authorise a pilot alternative collection approach.</p>	<p>Cabinet Member for Finance</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Michael Hainge</p> <p>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

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				background papers to be considered.
Cabinet	5 Mar 2018	IT Transition phase 4 assuring service continuity – Desktop strategy and solution options Desktop strategy and solution evaluates three strategic options for the desktop service, and three procurement options should the VDI strategic options be selected.	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	5 Mar 2018	2017_18 Corporate Revenue Monitoring Month 9 Corporate Revenue Forecast as at Month 9	Cabinet Member for Finance	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
April 2018				
Cabinet	16 Apr 2018	Contract Variation Request for Substance Misuse Treatment Service (Drug and Alcohol Wellbeing Service - Turning Point) The report recommends a contract variation of the DAWS contract to include aspects of groupwork, primary care support and criminal justice work. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the	Cabinet Member for Health and Adult Social Care	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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		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	16 Apr 2018 Reason: Affects 2 or more wards	Designation of conservation area extensions and conservation area boundary amendments and adoption of conservation area character profiles Designation of conservation area extensions and boundary amendments affecting 11 existing conservation areas and adoption of conservation area character profiles for three existing conservation areas.	Cabinet Member for Environment, Transport & Residents' Services Ward(s): Avonmore and Brook Green; College Park and Old Oak; Fulham Broadway; Fulham Reach; Hammersmith Broadway; Munster; Parsons Green and Walham; Shepherds Bush Green; Town; Wormholt and White City Contact officer: Paul Goodacre, Adam O'Neill Tel: 020 8753 3314, paul.goodacre@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 Apr 2018 Reason: Affects 2 or more wards	H&F Emergency planning to major incidents This report is a follow up to the immediate Emergency Planning Lessons Learned Report, which was presented to the Finance and Delivery Policy and Accountability Committee (PAC) on 6th September 2017. A further and separate review of the H&F Emergency Planning service and the response to both Grenfell Tower and the Parsons Green incident has been commissioned from an independent consultant and the results will be incorporated in this report once that review has been completed.	Deputy Leader Ward(s): Addison Contact officer: Peter Smith Tel: 020 8753 2206 peter.smith@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	16 Apr 2018	<p>60 Benworth Road - educational capital investment</p> <p>Capital investment in the schools largely funded by the Academy with a capital receipt from an asset of the caretakers house next to the school to allow</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Cabinet Member for Finance	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): North End	
Cabinet	16 Apr 2018	<p>Procurement of Home Care Services</p> <p>Procurement strategy and business case for the procurement of a regulated spot purchase of home care services throughout Hammersmith and Fulham to ensure demand for the service is fully met and contingency arrangements exist in the event of provider failure.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption</p>	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	

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		outweighs the public interest in disclosing the information.		
Cabinet	16 Apr 2018 Reason: Expenditure more than £100,000	<p>Upgrade of Community Alarm Monitoring and Associated Disaster Recovery Solution</p> <p>To request approval for the necessary upgrade to the IT system supporting the council's Careline Service</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Health and Adult Social Care</p> <p>Ward(s): All Wards</p> <p>Contact officer: Tim Lothian Tel: 020 8753 5377 tim.lothian@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	16 Apr 2018 Reason: Expenditure more than £100,000	<p>Implementation of the Recommendations of the Poverty and Worklessness Commission</p> <p>This report sets out proposals for the implementation of the recommendations of the H&F Poverty and Worklessness Commission. It seeks funding for a Policy and Project Officer post and community capacity building resources to establish 'community hubs' in areas of deprivation across the borough. It also seeks funding for a review of volunteering across the borough.</p>	<p>Deputy Leader</p> <p>Ward(s): All Wards</p> <p>Contact officer: Peter Smith Tel: 020 8753 2206 peter.smith@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	16 Apr 2018 Reason: Expenditure more than £100,000	<p>Implementation of Success Factors for Learning and Performance</p> <p>This report requests funding to commence implementation of learning management and performance management solutions through the Success Factors platform hosted by the Hampshire Partnership.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Finance</p> <p>Ward(s): All Wards</p> <p>Contact officer: Matt Caswell Tel: 020 8753 2708 Matt.Caswell@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	16 Apr 2018 Reason: Expenditure more than £100,000	<p>Annual S106 Drawdown Report</p> <p>A report seeking authority for the drawdown of S106 and CIL monies for 2017/18</p>	<p>Cabinet Member for Economic Development and Regeneration</p> <p>Ward(s): All Wards</p> <p>Contact officer: Peter Kemp Tel: 020 8753 6970 Peter.Kemp@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 Apr 2018 Reason: Expenditure more than £100,000	<p>Main Contractor Procurement & Contract Award For TBAP Bridge AP Academy Site</p> <p>Following a procurement exercise over the summer 2016 this decision will be to award the contract to the successful contractor</p>	<p>Cabinet Member for Children and Education</p> <p>Ward(s): Palace Riverside</p> <p>Contact officer: Dave McNamara, Ian Turner Tel: 020 7605 8337</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

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Cabinet	<p>16 Apr 2018</p> <p>Reason: Income more than £100,000</p>	<p>Procurement of My Time Active Service</p> <p>Procurement Decision sought on Mytime Active Family Weight Management Programme</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Health and Adult Social Care</p> <p>Ward(s): All Wards</p> <p>Contact officer: Mary Dos Santos Justo Tel: 020 7641 3626 mjusto@westminster.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>16 Apr 2018</p> <p>Reason: Expenditure more than £100,000</p>	<p>Corporate Planned Maintenance Programme (CPMP) 2018/2019</p> <p>To provide proposals for the delivery and funding of the 2018/2019 Corporate Planned Maintenance Programme (CPMP) for the Council's corporate property portfolio.</p>	<p>Cabinet Member for Environment, Transport & Residents' Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Nigel Brown Tel: 020 8753 2835 Nigel.Brown@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

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		<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p> <p>Information relating to any individual. Information which is likely to reveal the identity of an individual. Information relating to the financial or business affairs of any particular person (including the authority holding that information) Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. Information which reveals that the authority proposes - to give under any enactment a notice under or by virtue of which requirements are imposed on a person, or to make an order or direction under any enactment, Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime. Information which is subject to any obligation of confidentiality. Information which relates in any way to matters concerning national security. The deliberations of a standards</p>		papers to be considered.

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		committee or of a sub-committee of a standards committee established under the provisions of Part 3 of the Local Government Act 2000 in reaching any finding on a matter referred under the provisions of section 60(2) or (3), 64(2), 70(4) or (5) or 71(2) of that Act.		
Cabinet	16 Apr 2018 Reason: Expenditure more than £100,000	<p>Extension of Elm Grove Extra Care Housing Contract</p> <p>Elm Grove is an extra care housing scheme for 14 older people who require 24 hour care and support. It is recommended the contract is extended for a period of 2 plus 1 years.</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 Health and Adult Social Care</p> <p>Ward(s): Hammersmith Broadway</p> <p>Contact officer: Julia Copeland Tel: 0208 753 1203 julia.copeland@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	16 Apr 2018 Reason: Expenditure more than £100,000	<p>Access Agreement and Call-Off from the WLA Dynamic Purchasing Vehicles for Children’s Residential Homes, SEN Provision and Independent Fostering Agencies</p> <p>This report seeks approval to enter into an access agreement with the lead West London Alliance Boroughs for permission to access and call-off framework agreements for:</p> <ul style="list-style-type: none"> • Independent Fostering Agencies • Special Educational Needs for Independent and non-maintained 	<p>Cabinet Member for Children and Education</p> <p>Ward(s): All Wards</p> <p>Contact officer: Wesley Hedger Tel: 07590 629529 Wesley.Hedger@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.

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		<p>special schools</p> <ul style="list-style-type: none"> • Children’s Residential Homes <p>The aim is to ensure there is good quality, locally available provision for LBHF’s LAC and children with SEN, which represents value for money and is compliant with Public Contracts Regulations 2015. These Dynamic Purchasing Vehicles will be used by 9 WLA boroughs, other interested local authorities and organisations that carry out part or all of the statutory duties relating to children.</p> <p>Entering an access agreement does not commit the Council to the procurement of placement through the associated frameworks. It will however, enable it to call-off any framework subject to an internal appraisal of both quality and value for money.</p>		
Cabinet	<p>16 Apr 2018</p> <p>Reason: Affects 2 or more wards</p>	<p>LEISURE CONTRACT RE-PROCUREMENT</p> <p>This report is seeking permission to approach the market to procure a new contract for the management of the council’s leisure and sports centre facilities. The current contract expires at the end of January 2019 and a new contract will need to be procured well in advance of this date as the process of transferring management responsibilities between the outgoing incumbent and the new contractor can be lengthy and complex.</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</p>	<p>Cabinet Member for Environment, Transport & Residents' Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Jeremy Plester</p> <p>Jeremy.Plester@rbkc.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>

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		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	16 Apr 2018 Reason: Expenditure more than £100,000	Highways Maintenance programme 2018-2019 Report outlining the annual maintenance programme for the boroughs footway and carriageways	Cabinet Member for Environment, Transport & Residents' Services Ward(s): All Wards Contact officer: Arif Mahmud Tel: 020 7341 5237 arif.mahmud@rbkc.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	30 Apr 2018 Reason: Affects 2 or more wards	HRA Housing Capital Programme 2018/19 to 2021/22 This report provides specific details of the 2018/19 and 2019/20 housing capital programme, proposes budget envelopes for the following two financial years, and seeks authority to proceed with the various projects identified in Appendix 1.	Cabinet Member for Housing Ward(s): All Wards Contact officer: Mark Brayford Tel: 020 8753 4159 Mark.Brayford@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	30 Apr 2018 Reason: Affects 2 or more wards	Procurement Of Contract Framework For The Planned Upgrade Of Existing Controlled Access Systems Serving Housing Properties And The Provision Of New Systems This report establishes the rationale for going out to procurement for a contract framework to carry out the council's planned programme of replacement and upgrade of controlled access systems serving housing properties and the provision of new systems.	Cabinet Member for Housing Ward(s): All Wards Contact officer: Vince Conway Tel: 020 8753 1915 Vince.Conway@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	30 Apr 2018 Reason: Expenditure more than £100,000	<p>APPROVAL TO EXTEND FIVE MENTAL HEALTH SUPPORTED ACCOMMODATION CLUSTER CONTRACTS</p> <p>To seek approval for the extension of 5 mental health accommodation cluster contracts for 12 months.</p> <p>PART OPEN 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>	Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Michele Roberts Tel: 020 8834 4734 Michele.Roberts@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	30 Apr 2018 Reason: Income more than £100,000	<p>Microsoft Enterprise Agreement</p> <p>The council needs to procure licences for the cloud collaboration tools enabling more flexible and collaborative working. The licensing agreement will be an Enterprise Agreement, which is the cheapest way to procure the software required at an organisational level.</p> <p>PART OPEN 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>	Cabinet Member for Finance Ward(s): All Wards Contact officer: Howell Huws Tel: 020 8753 5025 Howell.Huws@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.

**NOTICE OF CONSIDERATION OF AN ADDITIONAL KEY DECISION
PROPOSED TO BE MADE BY CABINET ON 5 MARCH 2018
(published 6 February 2018)**

In accordance with paragraphs 9 and 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Cabinet hereby gives notice of an additional Key Decision which it intends to consider at its next meeting.

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

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Cabinet	5 Mar 2018	<p>Making London a National Park City</p> <p>This report seeks formal Endorsement of the campaign to make London the world's first 'National Park City'. The National Park City campaign is seeking the support of organisations, individual wards and ward councillors across London to add weight to its campaign.</p> <p>Reason for Urgency:</p> <p>There is a set of shared values between the councils aims to be the most environmentally positive borough and the proposed National Park City initiative.</p> <p>London can become a National Park City once the majority (328) of London's 654 wards have declared their support. Currently 324 have already declared.</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	