

Cabinet



Agenda

MONDAY
9 JULY 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 Larry Culhane, Cabinet Member for Children and Education
Councillor Andrew Jones, Cabinet Member for the Economy and the Arts
Councillor Wesley Harcourt, Cabinet Member for the Environment
Councillor Max Schmid, Cabinet Member for Finance and Commercial Services
Councillor Ben Coleman, Cabinet Member for Health and Adult Social Care
Councillor Lisa Homan, Cabinet Member for Housing
Councillor Adam Connell, Cabinet Member for Public Services Reform
Councillor Sue Macmillan, Cabinet Member for Strategy

Date Issued
29 June 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 (18 to 19) which are exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972, in that they relate to the financial or business affairs of any particular person, including the authority holding the information.

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

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

DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on non-exempt item numbers **4-14** 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 4 July 2018.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 11 July 2018**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Monday 16 July 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 16 July 2018**.

Cabinet Agenda

9 July 2018

<u>Item</u>	<u>Pages</u>
1. MINUTES OF THE CABINET MEETING HELD ON 4 JUNE 2018	6 - 9
2. APOLOGIES FOR ABSENCE	
3. DECLARATION OF INTERESTS	
<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.</p>	
4. HAMMERSMITH & FULHAM COUNCIL BUSINESS PLAN 2018-2022	10 - 25
5. TREASURY OUTTURN REPORT 2017/18	26 - 35
6. CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2017/18 (OUTTURN)	36 - 55

7.	2017/18 CORPORATE REVENUE OUTTURN REPORT	56 - 84
8.	SELF-SERVICE & ASSOCIATED SOFTWARE PROCUREMENT	85 - 93
9.	APPROPRIATION OF WATERMEADOW COURT AND EDITH SUMMERSKILL HOUSE	94 - 121
10.	HOUSING REVENUE ACCOUNT 2017/18 OUTTURN	122 - 138
11.	WEST KING STREET RENEWAL	139 - 161
12.	ARK CONWAY PRIMARY ACADEMY SCHOOL - SECTION 278 HIGHWAY WORKS	162 - 167
13.	UPGRADE OF CARELINE SERVICE'S COMMUNITY ALARM MONITORING SYSTEM TO A DIGITAL PLATFORM	168 - 178
14.	WEST KENSINGTON AND GIBBS GREEN NEIGHBOURHOOD PLAN AREA AND FORUM DESIGNATION	179 - 236
15.	FORWARD PLAN OF KEY DECISIONS	237 - 251
16.	EXCLUSION OF PRESS AND PUBLIC	

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

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|------------|--|--|
| 17. | EXEMPT MINUTES OF THE CABINET MEETING HELD ON 4 JUNE 2018 (E) | |
| 18. | WEST KING STREET RENEWAL: EXEMPT ASPECTS (E) | |
| 19. | UPGRADE OF CARELINE SERVICE'S COMMUNITY ALARM MONITORING SYSTEM TO A DIGITAL PLATFORM: EXEMPT ASPECTS (E) | |

London Borough of Hammersmith & Fulham

Cabinet

Minutes



Monday 4 June 2018

PRESENT

Councillor Ben Coleman, Fulham Broadway
Councillor Adam Connell, Addison
Councillor Stephen Cowan, Leader of the Council
Councillor Larry Culhane, North End
Councillor Wesley Harcourt, College Park and Old Oak
Councillor Sue Macmillan, Wormholt and White City

ALSO PRESENT

Councillor Victoria Brocklebank-Fowler
Councillor Matt Thorley

1. MINUTES OF THE CABINET MEETING HELD ON 16 APRIL 2018

RESOLVED:

That the minutes of the meeting of the Cabinet held on 16 April 2018 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Sue Fennimore, Andrew Jones, Max Schmid and Lisa Homan.

3. DECLARATION OF INTERESTS

There were no declarations of interest.

4. ANNUAL EMERGENCY PLANNING & BUSINESS CONTINUITY REPORT

RESOLVED:

That Cabinet agree the report and the work plan for 2018-2019.

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.

5. FORMER BBC TELEVISION CENTRE SITE, WOOD LANE W12 - CONSTRUCTION OF VEHICLE ACCESS POINTS (SECTION 106 HIGHWAY WORKS)

RESOLVED:

1. To approve the works costs for lowering of the statutory undertaker apparatus (i.e. gas, electric, water, telecom etc. services) and the construction of three permanent vehicle access points to the former BBC Television Centre, Wood Lane, W12 to council standards.
2. To directly award a works contract for lowering of services to Reach Active Limited specialist contractor in this field, who will co-ordinate all the statutory diversions with the companies and carryout all of the construction works at a cost of £219,585.
3. To approve the waiver of the Council's contract standing orders in relation to the direct award of the contract to Reach Active Limited for the reasons set out in paragraph 3.2, 3.3 and 3.4 below.
4. To approve the construction of the highway works will be carried out by FM Conway Ltd as the Council's framework contractor.
5. To include the scheme within the capital programme, at an estimated total cost of £530,102, with funding from a section 106 contribution.

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.

6. APPROVAL TO ALLOCATE ADDITIONAL FUNDS TO THE WATERMEADOW COURT DEMOLITION BUDGET

RESOLVED:

1. That approval be given to allocate an additional £563,000 to the approved budget for the site clearance, enabling work and demolition of Watermeadow Court Housing Estate to cover the increased costs of site clearance and security under the demolition and enabling works contract funded by unrestricted capital receipts from the Decent Neighbourhoods programme and to note this will ultimately increase the Housing Capital Financing Requirement.
2. That approval be given to allocate an additional £95,000 to the already approved budget of £100,000 for increased Employer's Agent consultancy fees, consultancy contingency and capitalised staff salaries and UK Power Networks utility disconnection costs funded by unrestricted capital receipts from the Decent Neighbourhoods programme and to note this will ultimately increase the Housing Capital Financing Requirement.

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.

7. FORWARD PLAN OF KEY DECISIONS

The Key Decision List was noted.

8. 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.]

9. **EXEMPT MINUTES OF THE CABINET MEETING HELD ON 16 APRIL 2018 (E)**

RESOLVED:

That the minutes of the meeting of the Cabinet held on 16 April 2018 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

10. **APPROVAL TO ALLOCATE ADDITIONAL FUNDS TO THE WATERMEADOW COURT DEMOLITION BUDGET: 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.

Meeting started: 7.03 pm
Meeting ended: 7.06 pm

Chair

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">9 JULY 2018</p>	
<p>HAMMERSMITH & FULHAM COUNCIL BUSINESS PLAN 2018-2022</p>	
<p>Report of the Leader of the Council – Councillor Stephen Cowan</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Consultation All Services via Strategic Leadership Team</p>	
<p>Wards Affected: All</p>	
<p>Accountable Officer: Mark Grimley, Director Corporate Services</p>	
<p>Report Author: Joanna McCormick, Strategic Lead, Public Services Reform</p>	<p>Contact Details: Tel: 020 8 753 2486 E-mail: Joanna.mccormick@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report introduces the Hammersmith & Fulham Council Business Plan 2018 - 2022. The plan responds to the Administration's manifesto pledges following recent local elections in May 2018 and the H&F Vision's priorities.
- 1.2. Our Vision states that 'we are a different kind of council – pioneering and relentlessly searching for better answers' and the business plan seeks to bring this ambition to life.
- 1.3. Specifically, the plan sets out the timeframe for high level delivery of the pledges, opportunities and activities focused on improving Hammersmith & Fulham as a place and as a council for the benefit of those we serve – the people of Hammersmith & Fulham.

2. RECOMMENDATIONS

- 2.1. That Cabinet approves the Hammersmith & Fulham Council Business Plan 2018 - 2022.

3. REASONS FOR DECISION

- 3.1. The business plan seeks to quickly respond to the Administration's manifesto pledges by setting out a high-level delivery timeline. The Strategic Leadership Team chaired by the Chief Executive will manage and monitor delivery against the plan.

4. PROPOSAL AND ISSUES

- 4.1. The business plan (attached at appendix 1) sets out the high-level timeframes for delivery of priorities over the next four years under the council's five overarching priorities:

- Building shared prosperity
- Creating a compassionate council
- Doing things with residents, not to them
- Being ruthlessly financially efficient
- Taking pride in Hammersmith & Fulham

- 4.2 A delivery plan is in development, and this will set out the operational activities and outcome measures for delivering the priorities. Statutory duties, service delivery and the medium term financial strategy priorities, which have all already been agreed, will also be included.
- 4.3 The business plan will be actively managed both at member level by Cabinet and at officer level. The Strategic Leadership Team will lead the monitoring of performance against the plan and ensure managers and teams ensure value for money and effective delivery. Management action will be taken, where necessary, if there is underperformance or slippage.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. In responding to the Administration's priorities, the two options considered were to produce a plan or not have a plan. The production of a business plan was the preferred option as it is good project management practice, offers an auditable trail of performance monitoring and enables all stakeholders to chart progress against the Administration's priorities.

6. CONSULTATION

- 6.1. The Administration has secured a mandate to deliver their manifesto: 'The change we'll bring together.'
- 6.2. The business plan was developed in consultation with the Strategic Leadership Team and reflects their understanding of likely delivery timeframes.

- 6.3. One of the five overarching priorities is: 'Doing things with residents not to them.' Specific priorities focus on a wide range of different ways to work with residents and coproduce services. New policies and projects will be developed with residents, and proposed decisions will also outline consultation undertaken.

7. EQUALITY IMPLICATIONS

- 7.1. It is not anticipated that there will be any negative impacts on groups with protected characteristics, under the terms of the Equality Act 2010, from the approval of this business plan. Aspects of the business plan that require additional funding or signal a major policy change will be the subject of further reports to Cabinet or Cabinet Members with subsequent scrutiny of the equality implications of those proposals.
- 7.2. Some of the business plan priorities respond to the identified needs of those with protected characteristics. New policies and activities will be developed with an assessment of equality implications. Proposed decisions will set out equality implications and include Equality Impact Assessments where these are required.
- 7.3. A delivery plan will be developed in line with the priorities set out in the business plan and will include specific outcomes in relation to our statutory public-sector equality duty.
- 7.4. Implications completed by: Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. As each individual element of the business plan is considered and a decision is to be made then legal advice will be given to the decision maker as to the Authority's statutory duties and powers, including the need to give due regard to the Public-Sector Equality Duty.
- 8.2. Implications verified/completed by: Kevin Beale, Principal Corporate Solicitor, tel. 020 8753 2740.

9. FINANCIAL IMPLICATIONS

- 9.1. The financial implications of delivering each of the priorities will be assessed as each new decision is made.
- 9.2. Appropriate funding will need to be identified within the Council's Revenue Budget and Capital Programme over the next four years.
- 9.3. One of the overarching priorities of the business plan is to be ruthlessly financially efficient, with specific priorities emphasising changes to our approach to reform, work across sectors, and zero-based budgeting. The

latest estimate is that the Council will need to deliver additional income, commercial activities or efficiencies, of more than £50m by 2022/23.

- 9.4. Implications verified/completed by: Andrew Lord, Head of Strategic Planning and Monitoring, tel. 020 8753 2531.

10. IMPLICATIONS FOR BUSINESS

- 10.1. One of the overarching priorities of the business plan is: 'Building Shared Prosperity' and associated priorities benefitting businesses are included.
- 10.2. No direct implications arise for businesses from this report. The implications for businesses of delivering priorities will be assessed as each new decision is made.
- 10.3 Implications verified/completed by: Billy Seago, Work Matters Manager, tel. 020 8753 5242.

11. RISK MANAGEMENT

- 11.1. Risk management is an intrinsic part of the Council's corporate governance. Governance is defined as comprising the arrangements put in place to ensure that the intended outcomes of the Council are defined and achieved while acting in the public interest at all times. The business plan contributes positively to the overarching requirements for achieving good governance in the Public Sector. The plan demonstrates how the Council acts in the Public Interest by setting out clear priorities and headline timeframes for delivery by defining intended outcomes in terms of sustainable economic, social and environmental benefits. As the delivery plan and processes for monitoring and evaluating progress are set up, we can understand exactly what goals are being worked towards, assess progress towards them and manage risks and performance through robust internal control and strong financial management in accordance with the best principles for good governance in the Public Sector.
- 11.2. The risk implications of delivering priorities will be assessed as each new decision is made.
- 11.3. Implications verified by: Michael Sloniowski Risk Manager, tel. 020 8753 2587.

LIST OF APPENDICES:

Appendix 1 Hammersmith & Fulham Council Business Plan 2018 – 2022.

THE CHANGE WE'LL BRING TOGETHER

THE H&F BUSINESS PLAN 2018/22

The H&F Vision

People love living in Hammersmith & Fulham. It's diverse, connected, on the up and could be better still. In our part of this busy city, residents deserve a place that is safe, clean and green.

In Hammersmith & Fulham, we have compassion. We believe our residents should feel secure in their homes and on the streets. They should have high-quality services they can rely on.

The area is changing and some are worried about growing unfairness, being left behind and the future of local services. This threatens what we want for the future.

We're strong because we care about our neighbours. We'll succeed if we bring people together and tackle what holds them back. We can't escape national and international challenges. Many will benefit locally, but some may lose out. We will not stand by.

We'll manage our finances responsibly and relentlessly challenge unfairness, waste and old-fashioned thinking in how we work.

We're a compassionate council and are not afraid to take on the powerful to get results. We're making H&F the best place to do business in Europe. We support entrepreneurs

and start-ups and generate opportunity and shared prosperity.

We are a different kind of council – pioneering and relentlessly searching for better answers. We'll keep listening, working with residents and finding creative ways to take us forward.

Our priorities

Building Shared Prosperity

Doing things with residents, not to them

Taking pride in Hammersmith & Fulham

Creating a compassionate council

Being ruthlessly financially efficient

Foreword

Our plan sets out the council’s main priorities for the next four years.

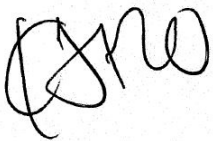
This is an ambitious programme that builds on the success that has already set Hammersmith & Fulham Council apart as a leader and innovator in compassionate local government.

We are creating a new order and dialogue by doing things with residents and not to them.

The plan will ensure our work is focussed on priorities that are critical to the commitments made by the council’s administration to the residents of Hammersmith & Fulham.

With year on year funding reductions yet increasing demand for services, we are fundamentally reforming the way we work with public, private and third sector organisations to achieve more for residents, and borough businesses.

Success will depend on the continued commitment and support of the local organisations we collaborate with, and of our residents and businesses. Our business plan therefore directs our work to improve Hammersmith & Fulham, as a place and a council, for the benefit of those we serve - the people of Hammersmith & Fulham.



Kim Dero
Chief Executive

Building Shared Prosperity

WE'RE WORKING ON IT NOW

Brexit

We'll campaign for an opportunity for the British people to vote on the Brexit deal alongside the option of remaining in the EU.

Industrial strategy

We'll use our partnership with Imperial College to help all our children and young people into the path they want to take in life - be that higher education, starting their own business, or apprenticeships and further vocational training.

Genuinely affordable homes

We'll build at least 1,500 genuinely affordable homes, prioritising larger flats and homes for families, at least 500 will be affordable part-ownership homes-to-buy, prioritising local residents.

Affordable rents

We'll ensure that new housing association developments are delivering affordable rents.

Protecting homes

We'll seek to protect all existing housing estates, including West Kensington and Gibbs Green estates, and develop further mechanisms to prevent any future sell-offs to developers.

West Kensington and Gibbs estates

We'll negotiate to save the West Kensington and Gibbs estates and investigate how the estates could have been sold at such a low price.

International partners

We'll seek to develop international partner cities to facilitate international investment and attract overseas firms to H&F.

Commercial rents

We'll maintain low rent levels on the council's industrial estates and enterprise parks, providing preferential rates for new start-up firms.

Access to council contracts

We'll support local businesses to gain more of the council's contracts, leading to local expenditure within the borough.

Opportunities for young people

We'll work with schools and colleges to increase the access of young people to training, apprenticeships and work placements.

BY 31 OCTOBER 2018

Night time economy

We'll support the night time economy in our town centres in a way that is sensitive to local residents but enhances the borough as a destination for inward investment, non-residents, tourists and visitors.

Shopper parking

We'll expand the cheap, 30-minute parking bays in town centres, high streets and shopping parades to support local retail and restaurant businesses.

Concierge

We'll look to introduce the concierge service once the Edward Woods pilot is evaluated.

Food poverty

We'll promote and support supermarkets and shops to share food and products to homeless charities and other third sector groups such as food banks.

Contractor approved list

We'll maintain an approved list of local contractors which would assist leaseholders but may also help tenants to get small things done should they choose to pay themselves.

Repairs

We'll introduce a 'quality performance' expectation for repairs including for all our contractors and we'll ensure that officers and residents have the tenants' handbook and the repairs handbook.

Charges

We'll insist on honesty and transparency in service delivery and charging.

Aids and adaptations

We'll speed up the aids and adaptations service for Disabled people.

Affordable office space

We'll support entrepreneurs in the borough by providing affordable office space, networking opportunities and workforce training and skills.

Business forum

We'll promote Upstream and create a business forum to understand better the needs of businesses.

BY 31 MAY 2019**Genuinely affordable homes**

- We'll develop a new partnership strategy with our housing association partners to deliver further genuinely affordable homes through a joined-up approach.
- We'll create a priority scheme to make sure local residents have first preference for all new genuinely affordable homes.
- We'll explore a new housing finance mechanism with partners such as housing associations and trade unions to increase the number of genuinely affordable homes we can deliver.

Second homes

We'll look at the St Ives planning restriction model so a newly built property can't be sold as a second home.

Old Oak – homes and jobs

We'll work with the Old Oak Regeneration Corporation to deliver thousands of new affordable homes to rent and buy for H&F residents, and secure thousands of jobs for residents.

Affordable homes

We'll review all small sites that could be used to increase the number of affordable homes on every possible spare piece of land.

Empty homes

We'll seek new planning powers to bring at least 250 empty homes into use.

Housing associations

We'll work with housing associations to help them improve their policies and services including the provision of a tenants' handbook. We'll promote an H&F Housing Association Charter / service level agreement.

Handy person

We'll introduce a handy person scheme.

Business portal

We'll develop a new online business portal to help bring entrepreneurs, innovators and investors together.

Opportunities for young people

We'll work with schools, colleges, businesses, Imperial College London, LAMDA and others to ensure that children and young people from all backgrounds get the education and training that equips them with necessary capabilities to benefit from the many new jobs and career opportunities that will be delivered by our economic growth plan.

BY 31 MAY 2020**Matching homes to needs**

We'll match older people in large homes with young people in need of housing.

BY 31 MAY 2022**Spin-out companies**

Building on our Industrial Strategy and Enterprise Partnership, we'll work with Imperial College to anchor at least 20 new spin-out companies in the borough by 2022.

West Tech hub

We'll work to bring in new investment of large 'anchor' firms that will enable a vision of a West Tech hub.

Jobs

Through the industrial strategy, we'll create 2000 jobs in technology, media and creative industries by 2022.

Affordable office space

We'll deliver new affordable space through planning agreements with developers to support small businesses.

Creating a compassionate council

WE'RE WORKING ON IT NOW

Disabled children

We'll support our outstanding special schools and continue to ensure that services are designed to meet the additional needs of Disabled children and their families. We'll also target public health resources on early speech and language intervention.

Disabled children's centre

We'll ensure that the brand new state-of-the-art Stephen Wiltshire Centre for Disabled Children is used by as many children with disabilities and their families as possible.

Isolation and loneliness

We'll combat social isolation and loneliness.

School funding

In the face of budget cuts, we'll protect and improve our schools.

Life chances

We'll improve residents' life chances.

Equalities in schools

We'll work with schools to support them to welcome children who come from different ethnic and cultural backgrounds.

BY 31 MAY 2019

Family Support

Our Family Support organisation will ensure families can access joined-up support and those requiring more help can be identified and supported from the earliest opportunity.

Sport, play and food poverty

We'll help children participate in sport and have free access to active play. Through local sports partnerships, we'll provide healthy food and stop any children going hungry. We'll work with schools to ensure they have access to parks and other sporting facilities.

Hurlingham running track

We'll develop a running track at Hurlingham Park for use by schools and a safer, pollution-free opportunity for recreational jogging for all ages.

Period poverty

We'll support girls and women who are in 'period poverty'.

Maintenance allowance

We'll consult on an 'H&F Education Maintenance Allowance' for students and if introduced, the impact will be reviewed.

School admissions

We'll continue to challenge schools we feel are not taking a fair approach in their admissions policies.

Childcare

We'll work with the government, employers, schools and third sector to deliver affordable high-quality child care for H&F residents.

Teacher parking

We'll consult on giving borough-wide free parking permits to teachers.

Teaching qualifications

We'll look at sponsoring Master's degrees for teachers - provided they stay in borough for a fixed period.

Teaching assistants

We'll encourage teaching assistants to become teachers, building on the work of the excellent West London Teaching Alliance.

Special educational needs

We'll build a world-class special educational needs service with constructive and collaborative relationships with parents at its heart.

School support for Disabled children

We'll support mainstream schools to become better at supporting children who have disabilities or other physical and mental health needs.

Care leavers' hub

We'll create a hub for our care leavers.

Mental health forum

We'll set up a forum to develop strategies to improve child and adolescent mental health services.

Adult mental health

We'll develop an effective approach to mental health, working across partner agencies such as the Police and Non Governmental Organisations such as Food Banks.

Intergenerational projects

We'll support intergenerational projects that bring young and old together.

Hospital discharge

We'll further improve hospital discharge, including a 'going home box' (basic food and toiletries) for people discharged from hospital.

Meals-on-wheels

We'll further improve meals-on-wheels to provide healthy choices and meaningful time spent with residents.

Armed forces

We'll seek to achieve the Gold Award in the Defence Employer Recognition Scheme by:

- Continuing to develop the offer under the Armed Forces Covenant;
- Maintaining a lead officer to implement the measures to achieve the Gold Award;
- Maintaining a councillor lead to oversee the implementation of the Armed Forces Covenant and the DERS;

BY 31 MAY 2020**Faith school admissions**

We'll ensure that faith schools service their local communities, and work to ensure that local children make up at least half their intake.

Play streets

We'll support communities in local streets to facilitate temporary closures to become play streets.

Learning partnership

We'll work with schools to create a Learning Partnership to promote peer-to-peer learning across our schools and help recruit and retain the highest quality teachers.

Dementia

We'll make H&F a dementia-friendly council. We'll provide dementia-friendly programmes including, for example, the provision of nursery schools alongside care homes.

Sports and youth facilities

We'll develop more physical education, sport and youth facilities.

Fuel poverty

We'll provide effective support to those in fuel poverty.

Healthy eating

We'll work with fast food outlets near schools to improve nutritional content of their food.

School places

We'll start planning now for how the borough can best meet the growing need for more primary schools and high quality local secondary school places.

Teacher recruitment

We'll work to attract and retain good teachers, which may include offering support with accommodation and we'll look into starting our own teacher recruitment agency.

Mental health

We'll support good mental health for adults and continue to build upon and also implement the recommendations of the Child and Adolescent Mental Health Task Force report.

Keeping families in the borough

We'll join up housing, health, social services and education so that no-one is forced to live outside the borough.

Health and care hubs

We'll set up two new joint social care and GP hubs.

Carers

We'll identify young carers and ensure their support needs are met and that our borough values, respects and supports carers.

BY 31 MAY 2022**Joined-up services**

We'll help families earlier and better by joining up our services within the council and with other governmental and non-governmental organisations.

Carers

We'll aim to help carers have financial security, care services which are there when they need them, an NHS which supports them, the ability to combine work and care if they choose to, and better information and advice to prepare and make choices about caring.

Convalescent homes

We'll help with reablement and reintroduce convalescent homes.

Doing things with residents, not to them

WE'RE WORKING ON IT NOW

Charing Cross

We'll continue to save the hospital.

Disabled people

We'll put Disabled people at the heart of decision-making in H&F. Co-production will lie at the heart of how we operate in future - nothing about Disabled people without Disabled people.

Information on schools and children's activities

We'll help parents choose the best school for their child. This includes online information and advice and events for families to find out more about schools, as well as play and youth work opportunities.

Heathrow

We'll work with the H&F Commission on Airport Expansion and fight against a third runway at Heathrow

BY 31 MAY 2019

Community engagement

We'll develop new ways of engaging and working with residents.

Co-production with older people

We'll ensure co-production with older people.

Resident-led commissions

We'll work with existing resident-led commissions and set up new commissions, including a teaching commission, an arts commission and a carers' commission and we'll

implement the recommendations of the resident-led commissions to date.

Transition planning

We'll ensure adults' and children's services work together on transition planning, once a child turns 14.

Direct payments and personalisation

We'll further improve Direct Payments by working with residents and the organisations that represent them. And we'll co-produce an independent living strategy in H&F for Disabled residents of all ages.

Ward panels

We'll set up new ward panels with a budget and new powers.

Environment committee

We'll establish an environment committee to scrutinise the green agenda; develop green policies; ensuring the recommendations of the Biodiversity and Air Quality commissions are implemented; and scrutinise the 'greening our estates' programme and develop new policies and initiatives.

Devolved powers to committees

We'll devolve decision making where possible, developing Policy and Accountability Committees as wider forums.

Childcare enquiry with residents

We'll carry out a public enquiry via the new policy and accountability committee to review childcare costs and availability.

Language barriers

We'll work with specific communities where there are language and interpretation barriers to civic engagement.

Voter registration

We'll support additional voter and young voter registration projects.

Online services

We'll improve the use of digital technology to make it easier and quicker for residents to get what they need from the council, while maintaining traditional contact channels for those that prefer them.

Pupil experience guarantee

We'll work with local theatres, sports clubs and businesses to create a 'Pupil Experience Guarantee' and we'll encourage all schools to develop strong links and share resources with the local community.

Parents' groups

We'll go on creating strong links with parents' groups including those for children with learning disabilities and complex needs.

BY 31 MAY 2020

Youth Zone

We'll build an OnSide Youth Zone in White City offering a wide range of sport, art and enterprise activities.

North End Road

In Fulham, we'll seek to invest in a community-led redesign of the North End Road providing a long-term enhancement of the market and supporting the growth of existing and new businesses.

Being ruthlessly financially efficient

WE'RE WORKING ON IT NOW

Value for money

We'll continue to be the best value council in the country.

Protecting vulnerable residents

We'll make sure future government cuts are not passed onto vulnerable residents in the form of reduced services.

Council tax and charges

We'll continue to keep council tax and council charges low.

Budgeting

Council departments will stay within agreed budgets, with any new investments agreed in advance.

Ethical debt collection

We will not use bailiffs to collect council tax debt from residents, instead using an ethical approach that is more effective and supports families put their finances in order.

Council reform

We'll reform the council using third sector partners to tackle problems intrinsic to our society

Public services reform

We'll find new, innovative ways of delivering local services with other local organisations.

BY 31 MAY 2019

Empty properties

We'll use to the maximum our powers to increase council tax on empty properties.

Budgeting

We'll extend zero-based budgeting to strip out more waste and build joint working with other organisations to achieve better outcomes for residents.

Improving the way we do business

By leaving the Tri-borough and the managed services contract, we'll modernise financial processes to ensure each pound we spend supports better services for residents.

Income generation

We'll develop entrepreneurial skills across the council to bring in more commercial income that we can invest in residents' services.

Taking pride in Hammersmith & Fulham

WE'RE WORKING ON IT NOW

Greenest borough

We'll make our borough the greenest borough in Britain.

Plastics

We'll review council use of plastics; develop ways to minimise the use of all plastics; and build an alliance of local organisations that commit to ending the use of all plastics.

Bin collections and street cleaning

We'll go on investing in more and better street cleaning and protecting bin collections - never cutting these services.

Cycle route CS9

We'll lobby the Mayor to run the CS9 cycle route down the A4.

Flyunder

We'll seek to put together a scheme that works with private investors and TfL to build the Hammersmith Flyunder.

Train services

We'll press Transport for London to bring back regular services to Olympia Underground station, more West London Line trains and improved facilities for pedestrians and cyclists.

Hate crime

We'll tackle hate crime when and wherever it happens.

Policing

We'll ensure the new Borough Command Unit is working effectively.

Pedestrian space

We won't reduce pedestrian space for cycle lanes.

BY 31 MAY 2019

Electric cars

We'll increase the number of electric car charging points in the borough and we'll extend the use of electric car clubs.

Bats and beetles

We'll install bat boxes and loggeries in all parks to support the endangered bat and beetle populations.

Trees

We'll audit the number, location and type of trees to help plan what type of trees to plant and where. We will not reduce the number of trees but we'll identify which streets and roads without trees are the best place to have them.

Pollution

We'll introduce state-of-the-art technologies to absorb pollution and we'll improve our noise pollution operation.

Grass and wildflowers

We'll dedicate a minimum of 5% of all parks and cemeteries to long grass and wildflowers and we'll use the grass and wildflower space in cemeteries and bat boxes and loggeries in parks as the basis for educational opportunities for children and schools.

Green estates

We'll work with our estates alongside tenants' and residents' associations and residents to identify areas to plant new trees, bushes and flowers; buildings to

install green roofs or green walls; large paved areas which can be converted to grass; and places for bird boxes.

Schools and young people

We'll involve local schools and community groups, providing educational opportunities and inclusivity for identified groups and develop an enrichment strategy for facilities for young people.

Living walls

We'll plant 'living walls' to absorb pollution near schools and other targeted buildings.

Cycle parking

We'll increase cycle parking on streets and estates.

Arts strategy

We'll refresh the arts strategy, to include a greater number of local residents in the diverse range of cultural and artistic activities.

Arts endowment fund

We'll establish a local arts endowment fund.

Public art

We'll develop a programme of public visual art, making use of our parks, public spaces and public building to promote the borough as a major artistic and cultural environment.

Arts opportunities

We'll work with partners to increase the number of arts and cultural opportunities for young people. We'll provide more cradle-to-grave opportunities for local people and look to Music for Youth as a gateway to working with local schools.

Arts Trust

We'll establish a borough wide arts trust with independent input.

Central Hammersmith

We'll seek agreement to deliver the flyunder and work with residents to redesign central Hammersmith.

Public events

To build up our place-making, we'll develop an annual cycle of events to increase the attractiveness of our town centres.

Knife and gang crime

We'll work with the third sector and community to tackle knife crime and gang and youth violence. We'll provide effective help for young people who are involved in gangs or at risk of becoming gang members.

Moped crime

We'll work with the police to stop moped crime and drug dealing.

CCTV

We'll continue to invest in CCTV.

Stop and search

We'll work to ensure stop and search is targeted appropriately and effective.

Victims of crime

We'll provide better processes to support residents who have put up with anti-social behaviour and drug dealing in their neighbourhood. We'll support the work of 'victim support' and crime prevention measures.

FGM

We'll take action to prevent Female Genital Mutilation and support prosecutions.

Safer neighbourhoods

We'll enhance the community safety team and the work of the safer neighbourhood board. We'll ensure local ward police officers are supported effectively.

Radicalisation

We'll protect residents from being victims of radicalisation.

Young people and crime

We'll reach out to young people who are disengaged from society and at risk of exploitation for criminal purposes.

BY 31 MAY 2020

Car-free businesses

We'll use planning conditions to encourage car-free businesses and we'll promote and encourage more car free developments.

Imperial Wharf station

We'll campaign for a Crossrail 2 station at Imperial Wharf and seek to gain an increase in trains on the West London overground line.

Arts

We'll draw in more popular artists as well as new and innovative productions and provide more support, venues and galleries for local artists and musicians to perform. Through planning, we'll increase the number of performance and artistic event spaces.

Cecil French Collection

We'll restore the Cecil French Collection and, through planning, ensure it gains a long term gallery home in the borough.

Town centres

We'll build on the success of our markets we will invest in our town centres and develop new shopping parade strategies.

Youth services

We'll set up mini-projects/resources for targeted groups of disengaged or alienated young people. And we'll develop access opportunities for all across the borough outside the school curriculum.

Crime prevention

We'll go on investing more on crime prevention.

CCTV

We'll install CCTV cameras on stairwells in tower blocks if residents want them.

BY 31 MAY 2022

Pollution

We'll introduce policies including traffic management to reduce the sources of noise, light and air pollution.

Pedestrian river bridge


We'll continue to support a new pedestrian river crossing at Imperial Wharf to enhance transport in the south of the borough.

Artists' studios

We'll gain agreements with developers for new affordable artist studios, performance and rehearsal spaces.

Arts venues

Through planning, we'll seek to attract at least two new major artistic venues to the borough by 2022.

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>9 JULY 2018</p>	
TREASURY OUTTURN REPORT 2017/18	
Report of the Cabinet Member for Finance and Commercial Services: Councillor Max Schmid	
Open report	
Classification: For Decision	
Key Decision: Yes	
Wards Affected: All	
Accountable Director: Hitesh Jolapara: Strategic Director Finance and Governance	
Report Author: Miriam Adams, Strategic Finance Manager	Contact Details: Tel: 020 7641 4176 E-mail: madams@westminster.gov.uk

1. EXECUTIVE SUMMARY

1.1. The purpose of this report is to:

- Present the Council's annual Treasury Management Outturn Report for 2017/18 in accordance with the Council's treasury management practices. It is a regulatory requirement for this outturn report to be presented to Council each year.

1.2. Treasury management comprises:

- managing the Council's borrowing to ensure funding of the Council's future capital programme is at minimal cost;
- investing surplus cash balances arising from the day-to-day operations of the Council to obtain an optimal return while ensuring security and liquidity.

1.3. This report complies with CIPFA's Code of Practice on Treasury Management, and covers the following:

- a review of the Council’s investment portfolio for 2017/18 to include the treasury position as at 31 March 2018;
- a review of the Council’s borrowing strategy for 2017/18;
- a review of compliance with Treasury and Prudential Indicator Limits for year to 31 March 2018;
- an economic update for 2017/18.

1.4 The Council has complied with all elements of the Treasury Management Strategy Statement (TMSS).

2. RECOMMENDATIONS

2.1. That this report be noted.

3. INTRODUCTION AND BACKGROUND

3.1. Treasury management in this context is defined as:

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

3.2. This annual treasury report covers:

- the treasury position as at 31 March 2018;
- the borrowing strategy for 2017/18;
- the borrowing outturn for 2017/18;
- compliance with treasury limits and prudential indicators;
- investment strategy for 2017/18; and
- investment outturn for 2017/18.

4. TREASURY ACTIVITY

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

	31 March 2018 (£m)	Rate (%)	31 March 2017 (£m)	Rate (%)
General Fund (GF)	37.14	4.89	38.40	5.01
Housing Revenue Account (HRA)	180.27	4.89	186.42	5.01
Total Borrowing	217.41	4.89	224.82	5.01
Total Cash Invested	339.23	0.53	326.51	0.45
Net Cash Invested	121.82		101.69	

¹ Treasury Management Policy Statement adopted by Cabinet on the 31 January 2012 and continues to be adhered to.

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

	Interest Paid (£m)	Interest Received (£m)	Net (£m)
General Fund (GF)	1.87	(1.11)	0.76
Housing Revenue Account (HRA)	9.05	(0.15)	8.90
Other*	0.00	(0.16)	(0.16)
Total	10.92	(1.42)	9.50

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

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

- 4.4. The table below shows the split of investments by duration as at 31 March 2018:

Maturity Bucket	Bond (£m)	Call (£m)	Fixed (£m)	MMF (£m)	VNAV Fund (£m)	Total (£m)
Liquidity		0.00		83.85	39.88	123.73
< 1 Month	-34.99		38.00			3.01
1 - 3 Month	49.99	25.00	15.00			89.99
3 - 6 Months	15.00	25.00				40.00
6 - 12 Months		20.00	45.00			65.00
1 - 3 Years			17.50			17.50
Total	30.00	70.00	115.50	83.85	39.88	339.23

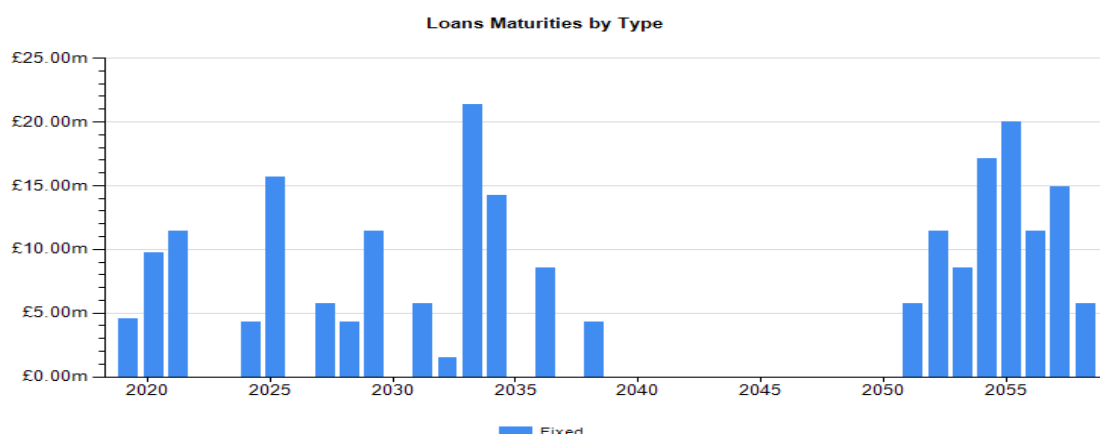
Treasury Management Strategy for 2017/18

- 4.5. The Treasury Management Strategy for 2017/18 was approved by the Council on 5 February 2017.
- 4.6. Taking into account the worldwide economic climate, it was considered appropriate to keep investments short-term and invest only with highly rated or UK Government backed institutions, resulting in relatively low returns compared with borrowing rates.

Treasury Borrowing

- 4.7. Due to the level of cash balances held by the Council at the start of the year (£327 million at 31 March 2017), it was anticipated that there would be no need to borrow during 2017/18, and no new long-term borrowing was undertaken during the year.
- 4.8. Public Works Loans Board (PWLB) debt maturing during the year, which was not refinanced, totalled £7.44 million with an average nominal interest rate of 9.3%. This resulted in a reduction in the debt outstanding to £217.41 million and the average interest rate reduced from 5.01% to 4.89%.

4.9. All of the Council's loans are at a fixed rate of interest. The table below shows the debt profile as at 31 March 2018:



4.10. During 2017/18, longer-term PWLB rates were volatile but with little overall direction, whereas shorter-term PWLB rates were on a rising trend during the second half of the year.

Housing Revenue Account (HRA)

4.11. At 31 March 2018, the HRA Debt Cap remains at £254.62m. The PWLB debt apportioned to the HRA of £180.27 million remains below the HRA Capital Financing Requirement (CFR) of £210.27 million in the table below, thereby generating internal borrowing of £30.0m. HRA reserves and working capital, in excess of the internal borrowing, represents cash balances on which interest is allocated from the general fund.

Capital Expenditure and Capital Financing Requirement (CFR)

4.12. The Council currently maintains an internal borrowing position, whereby cash reserves currently earning low interest rates compared with borrowing rates are used to finance the capital program in the short term. This position is in line with the Council's treasury management strategy. It is anticipated that external borrowing will commence as favourable rates become available.

The Closing Capital Financing Requirement analysed between General Fund and Housing Revenue Account in relation to capital program.

General Fund headline CFR increased by £6.29m

	CFR 31 March 2017 £m	External Debt 31 March 2017 £m	CFR 31 March 2018 £m	External Debt 31 March 2018 £m
GF CFR (Excluding DSG Funded Schools Windows Borrowing)	47.25	-	50.48	-
GF CFR DSG Funded Schools Windows Borrowing	3.57	-	6.63	-

Total GF Headline CFR	50.82		57.11	
Finance leases/PFI	11.05		10.33	
Total Closing GF CFR	61.87	38.41	67.44	37.14
HRA Total	204.85		204.85	
Deferred Disposal Costs	5.83		5.42	
HRA CFR Total Including Deferred Disposal Costs	210.68	186.41	210.27	180.27
Total Capital CFR / Debt	272.55	224.82	277.71	217.41

NB: The 'headline' CFR shown above is consistent with capital reports. The annual accounts disclose CFR of £277.71m due to the inclusion of PFI, finance leases and deferred cost of disposal.

The Council's overall CFR is made up of the capital headline CFR and other long term liabilities like PFI and finance leases. The financing of the Council's capital program in 2017/18 is shown in the table below:

	General Fund £m	Housing Revenue Account (HRA) £m	Total £m
Capital Expenditure 2017/18	35.64	37.91	73.55
Financed by:			
Government & Public Body Grants	10.45	-	10.45
S106 & Other Contributions	15.01	-	15.01
Leaseholder Contributions	-	2.55	2.55
Capital Receipts	5.79	16.56	22.35
Revenue Funding	0.02	0.04	0.05
Major Repairs Reserve (MRR)	-	16.26	16.26
Earmarked Reserve (Revenue)	0.33	-	0.33
Internal Borrowing	4.04	2.51	6.55
Total Capital Financing	35.64	37.91	73.55

Annual Investment Strategy for 2017/18

4.13. At the start of the year, over half of the Council's portfolio (£181m) was held in tradable investments, including Government Treasury Bills (T-Bills), Supra-Nationals Banks and European Agencies, Close to Maturity Bonds, Certificates of Deposit and Commercial Paper. However, market rates in the sector fell significantly during the year. This led to funds being reinvested into fixed term deposits with other Local Authorities, Bank Notice Accounts and Enhanced Cash Funds.

4.14. The Treasury Management Strategy allowed investment in the following areas:

- an unlimited investment limit with the UK Government Debt Management Office (DMO) deposits, UK Gilts, Repos and Treasury Bills;
- up to a maximum of £100m per counterparty in Supra-National Banks, European Agencies and covered bonds debt on a buy to hold basis with maturity dates of up to five years, Transport for London (TfL) and the Greater London Authority (GLA) bonds for up to three years;

- a limit of £20m invested with any UK Local Authority, subject to internal counterparty approval by the Strategic Finance Director and Tri-Borough Director of Treasury and Pensions;
- no more than £30m to be invested with any individual Money Market Fund;
- any financial instrument held with a UK Bank limited to £70m, depending on its credit rating and Government ownership above 25% (limit of £50m); and
- any financial instrument held with a Non-UK Bank limited to £50m, depending on its credit rating.

Investment Outturn for 2017/18

4.15. The investments outstanding at 31 March 2018 amounted to £339.23m invested in short-term deposits. This compares with £326.51m as at 31 March 2017.

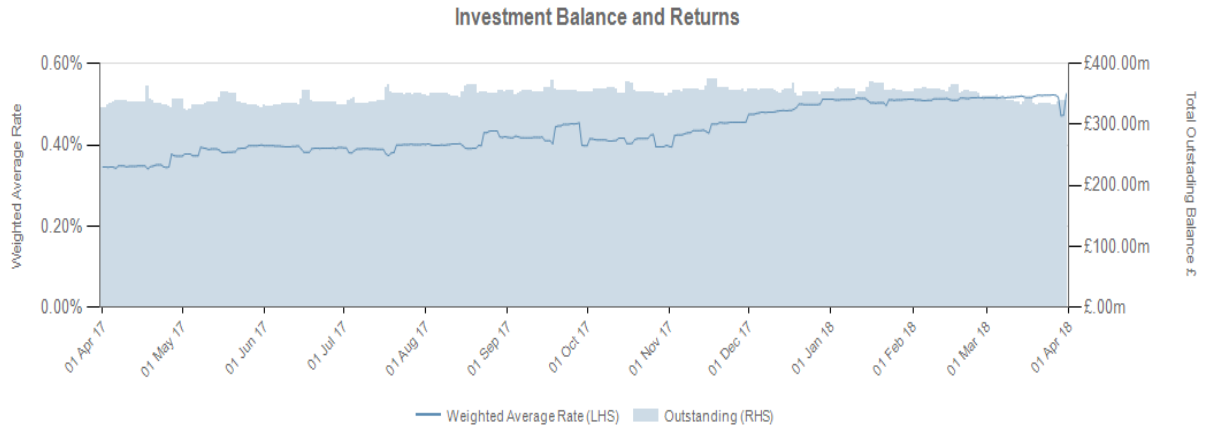
4.16. The table below provides a breakdown of cash investments, together with comparisons from previous years:

(£m)	31/03/15	31/03/16	31/03/17	31/03/18
Liquid Deposits	-	0.90	2.35	-
Money Market Funds	34.15	33.70	38.10	83.85
Notice Accounts	14.00	19.90	33.00	70.00
Custodian Held Assets	212.13	204.74	208.06	30.00
Term Deposits	99.50	40.00	45.00	115.50
Enhanced Cash Fund	-	-	-	39.88
Total	359.78	299.24	326.51	339.23

4.17. The table below provides a breakdown of the cash investments, split between General Fund and Housing Revenue Accounts:

(£m)	31/03/15	31/03/16	31/03/17	31/03/18
General Fund (GF)	296.00	253.60	273.50	292.63
Housing Revenue Account (HRA)	63.80	45.60	53.00	46.60
Total	359.80	299.20	326.50	339.23

4.18. The investment balances during the year together with the average returns are shown in the diagram below. Cash balances varied between £326m and £375m, reflecting the timing of the Council's income (council tax, non-domestic rates, government grants and capital receipts) and expenditure (precept payments, payroll costs, supplier payments and capital expenditure).



- 4.19. The average return achieved on investments managed internally for the year was 0.44% compared with the average seven-day money market rate (uncompounded) of 0.21%. The total interest received amounted to £1.42m (compared with a weighted average of 0.45% and total interest received of £1.55m in 2016/17).
- 4.20. Interest rates remained low throughout the year. The Council followed a low risk strategy and did not seek potentially higher returns which would have increased counterparty risk.

5. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

- 5.1. During the financial year, the Council operated within the treasury limits set out in the Council's Treasury Policy Statement and Treasury Management Strategy Statement. The outturn for the Treasury Management Prudential Indicators is shown in **Appendix A**.
- 5.2. Non Treasury related Prudential Indicators are set and monitored as part of the Council's budget process.

6. FUTURE CHANGES: IFRS 9 FINANCIAL INSTRUMENTS

- 6.1. IFRS 9 Financial Instruments is the new accounting standards for investments, borrowing, receivables and payables, which will apply to local authorities from the 2018/19 financial year onwards.
- 6.2. The new standard takes effect from 1 April 2019. There are two main changes, the first relating to the impairment of financial assets, where potential losses on investments must be charged to revenue in case actual losses are incurred in future.
- 6.3. The second impact arises from changes in the treatment of unrealised gains and losses on certain investments, where movements in market value must now be charged to revenue.
- 6.4. As at 31 March 2018, the Authority has two financial instruments which are classified as 'available for sale', and as the Authority does not hold the asset

principally to sell to another party, there would be no change to the accounting treatment of these financial assets as a result of IFRS 9. The Authority will continue to ensure compliance in the accounts.

7. CONSULTATION

- 7.1. The Cabinet member for Finance has been consulted, and has given his support for the report.

8. EQUALITY IMPLICATIONS

- 8.1. The Committee is asked to note this report. There are no decisions or actions to be taken and there are no equality implications.

- 8.2. *Implications verified by: Peter Smith, Head of Policy & Strategy, tel. 0208 753 2206.*

9. LEGAL IMPLICATIONS

- 9.1. Statutory requirements are discussed within the report. All such requirements have been complied with.

- 9.2. *Legal Implications completed by Angus Everett, Chief Solicitor, 020 8753 2724.*

10. FINANCIAL IMPLICATIONS

- 10.1. The Report confirms the Treasury Management Outturn for the year. As set out in Appendix A there has been full compliance with the Treasury and Prudential indicators set for the year.

- 10.2. *Financial Implications provided by Andrew Lord, tel. 020 8753 2531 – Head of Strategic Planning and Monitoring.*

11. RISK MANAGEMENT

- 11.1. Treasury Management contributes positively to our financial efficiency enabling us to reduce the burden on residents by cutting or freezing council tax, as well as charges for services and in accordance with Council Priority of Being Ruthlessly Financially Efficient and contribute positively to the Management of Council Finances. The practices ensure the Council invests where it matters most to ultimately protect and improve front-line services. Treasury management risk has been discussed throughout the report. The Council's approach during the year has been one of a low risk appetite with the security of capital considered paramount. This has resulted in the selection of high quality, low risk counterparties, culminating in a lower investment yield than might be expected with a higher risk appetite approach.

- 11.2. *Implications verified/completed by: Michael Sloniowski, Risk Manager - 020 8753 2587.*

12. IMPLICATIONS FOR BUSINESS

- 12.1. There are no implications for business arising from this report.
- 12.2. *Implications verified/completed by: Alben Karameros, Economic Development Team, 07739 316 597.*

13. COMMERCIAL IMPLICATIONS

- 13.1. Work is currently being undertaken with regard to the inclusion of asset backed securities (ABS) within the Treasury Management Strategy, and a further report and recommendation is pending. An approved recommendation will result in a market procurement for an external ABS manager.
- 13.2. *Implications verified/completed by: Phil Triggs, Tri-Borough Director of Treasury & Pensions, tel. 020 76414136.*

14. IT IMPLICATIONS

- 14.1. There are no IT implications contained within this report.
- 14.2. *Implications completed by: Veronica Barella, Chief Information Officer, tel. 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
1.	Capital Programme Monitor and budget Variations 2017/18 (Outturn) - published	Andrew Lord, ext 2531	Finance

LIST OF APPENDICES:

Appendix A: Treasury Management Prudential indicators

APPENDIX A


TREASURY MANAGEMENT PRUDENTIAL INDICATORS 2017/18

During the financial year to 31 March 2018, the Council operated within the Treasury Limits and Prudential Indicators set out in the TMSS approved by Council on 5 February 2017.

Indicator	2017/18 Approved Limit	2017/18 Actual	Indicator Met?	
Capital Financing Requirement	279.30m	277.71	Met	
HRA debt Cap	254.62m	254.62m	Met	
Authorised Limit for external debt ²	£345.0m	£217.41m	Met	
Operational debt boundary ³	£290.0m		Met	
Interest Rate Exposure	Lower Limit	Upper Limit	Actual at 31 Mar 2018	Indicator Met?
Fixed Rate Debt	£0m	£345.0m	£217.41m	Met
Variable Rate Debt	£0m	£69.0m	£0m	Met
Maturity Structure of Borrowing				
Under 12 Months	0%	15%	2%	Met
12 mths to within 24 mths	0%	15%	4%	Met
24 mths to within 5 years	0%	60%	5%	Met
5 years to within 10 years	0%	75%	14%	Met
Over 10 years	0%	100%	75%	Met

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

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

<p>London Borough of Hammersmith & Fulham</p> <p>Cabinet</p> <p>9 JULY 2018</p>	
<p>CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2017/18 (OUTTURN)</p>	
<p>Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification: For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Hitesh Jolapara, Strategic Director Finance and Governance</p>	
<p>Report Author: Andrew Lord, Head of Strategic Planning and Monitoring Ariana Murdock, Principal Accountant</p>	<p>Contact Details: Tel: 0208 753 2531 Email: Andrew.lord@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report provides a summary of the Council's Capital Programme out-turn for the financial year 2017/18. Total capital expenditure for the year was £73.6m and headline General Fund debt at the year-end was £57.1m.
- 1.2. This report also seeks approval for fourth-quarter 2017/18 budget variations. A net decrease of £19.5m (£8.2m General Fund, £11.3m Housing) to the 2017/18 capital budget (as approved at the end of the third-quarter) is proposed, largely due to slippages and the setting aside of resource to future years.
- 1.3. The 2017/18 accounts, which underpin figures in this report, remain subject to audit. The audit is anticipated to be finalised in July 2018.
- 1.4. The Council needs to carefully consider its VAT partial exemption calculation and the risk of breaching the partial exemption threshold which would likely cost the Council between £2m-£3m. Capital projects represent the bulk of this risk. The Council remained below the threshold in 2017/18 however there remains a risk of breaching the threshold in future years if the position is not carefully managed on an ongoing basis.
- 1.5. The following risks associated with funding of future years' expenditure have been identified within the Housing Capital Programme:

- The proposed programme for 2018/19-2021/22 relies on £26.5m of S106 receipts of which £3.6m has been received to date, with the balance projected to be received as developments proceed.
- £14.5m of retained Right to Buy One for One receipts are required to be used in 2018/19 for provision of additional affordable social housing or be repaid to MHCLG. However, under the GLA's recent Homes for Londoners funding prospectus the Council can now opt for these receipts to be passed from MHCLG to the GLA and then ring fenced for use by the Council in the borough within three years.

These risks are explained in more detail in sections 7.6 and 7.7 of the report.

2. RECOMMENDATIONS

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

3. REASONS FOR DECISION

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

4. CAPITAL PROGRAMME 2017-18 – OUTTURN AND Q4 VARIATIONS

- 4.1. Capital expenditure for 2017/18 totalled £73.6m. An analysis of spend by service is shown in Table 1 below with further detail available in Appendix 1. Table 1 also shows the proposed fourth-quarter budget variations. A full analysis of elements of the programme funded from internal Council resource is included in section 6.

Table 1 – LBHF Capital Programme 2017-22 with proposed 2017/18 Q4 Variations

Budget 2017/18 (Q3)	Proposed Variations: Q3 Budget to Q4				Outturn 2017/18	Next Year Programme			Indicative Future Years Analysis				
	Slippages from/(to) future years	Addition/(Reduction)	Transfers	Total Variations (Q4)		2018/19 Original Budget	Slippages Additions and Reductions	2018/19 Revised Budget	2019/20	2020/21	2021/22	Total Budget (All years)	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
CAPITAL EXPENDITURE													
Children's Services	21,458	(5,451)	1,400	-	(4,051)	17,407	19,800	4,351	24,151	331	-	-	41,889
Adult Social Care	1,762	(1,369)	-	-	(1,369)	393	20	1,369	1,389	937	-	-	2,719
Environmental Services	18,843	(9,389)	1,250	-	(8,139)	10,704	15,417	9,389	24,806	10,778	7,208	7,208	60,704
Finance & Corporate Services	-	-	5,790	-	5,790	5,790	-	930	930	-	-	-	6,720
General Fund Schemes under Housing management	1,782	(578)	140	-	(438)	1,344	2,050	1,098	3,148	830	450	450	6,222
Sub-total (Non-Housing)	43,845	(16,787)	8,580	-	(8,207)	35,638	37,287	17,137	54,424	12,876	7,658	7,658	118,254
HRA Programme	33,163	(9,322)	(75)	-	(9,397)	23,766	45,540	(17,540)	28,000	35,000	35,000	35,000	156,766
Decent Neighbourhoods Programme	16,101	(2,478)	525	-	(1,953)	14,148	30,583	(3,425)	27,158	25,574	22,306	13,079	102,265
Sub-total (Housing)	49,264	(11,800)	450	-	(11,350)	37,914	76,123	(20,965)	55,158	60,574	57,306	48,079	259,031
Total Expenditure	93,109	(28,587)	9,030	-	(19,557)	73,552	113,410	(3,828)	109,582	73,450	64,964	55,737	377,285
CAPITAL FINANCING													
Specific/External Financing:													
Government/Public Body Grants	14,662	(7,003)	1,884	906	(4,213)	10,449	8,061	6,035	14,096	3,464	2,157	2,157	32,323
Grants and Contributions from Private Developers (includes S106)	20,776	(7,357)	1,527	64	(5,766)	15,010	9,285	5,089	14,374	3,376	17,906	2,794	53,460
Leaseholder Contributions (Housing)	6,644	(4,091)	-	-	(4,091)	2,553	4,390	4,292	8,682	3,860	4,048	3,945	23,088
Sub-total - Specific Financing	42,082	(18,451)	3,411	970	(14,070)	28,012	21,736	15,416	37,152	10,700	24,111	8,896	108,871
Mainstream Financing (Internal):													
Capital Receipts - General Fund	7,017	(2,653)	5,790	(4,364)	(1,227)	5,790	1,920	829	2,749	7,539	3,501	1,920	21,499
Capital Receipts - Housing*	18,676	(6,923)	219	4,583	(2,121)	16,555	24,538	(3,285)	21,253	17,097	9,607	6,637	71,149
Revenue funding - General Fund	316	(316)	15	-	(301)	15	521	316	837	521	521	521	2,415
Revenue Funding - HRA	100	-	-	(64)	(64)	36	4,563	(4,563)	-	-	5,172	5,500	10,708
Major Repairs Reserve (MRR) [Housing]	21,530	-	(686)	(4,583)	(5,269)	16,261	16,165	48	16,213	15,926	15,921	16,668	80,989
Earmarked Reserves (Revenue)	89	(89)	281	52	244	333	-	3,089	3,089	9,845	-	-	13,267
Sub-total - Mainstream Funding	47,728	(9,981)	5,619	(4,376)	(8,738)	38,990	47,707	(3,566)	44,141	50,928	34,722	31,246	200,027
Internal Borrowing	3,299	(155)	-	3,406	3,251	6,550	43,967	(15,678)	28,289	11,822	6,131	15,595	68,387
Total Capital Financing	93,109	(28,587)	9,030	-	(19,557)	73,552	113,410	(3,828)	109,582	73,450	64,964	55,737	377,285

*Capital Receipts include use of brought forward Housing receipts

- 4.2. A net variation to the 2017/18 programme of **£(19.5)m** is proposed, decreasing total budgeted expenditure from £93.1m to £73.6m. Of the proposed net variation, £(28.5)m relates to slippages to future financial years. The remaining £9m variation relates primarily to growth in the programme where external funding sources have now been confirmed or associated forecast funding has increased. A detailed analysis of proposed variations for approval is included at Appendix 2.
- 4.3. A net variation to the 2018/19 programme of **£(3.8)m** is proposed. This is mainly attributable to £17.1m of slippages from 2017/18 for general fund schemes and £(20.9)m of budget re-profiling to future years for Housing capital programme.
- 4.4. The capital programme presented here for 2017/18 and 2018/19 is based on approved projects and known funding allocations. These currently exclude Hammersmith Town Hall refurbishment (except £7.5m previously approved as part of Corporate Planned Maintenance Programme budget) and any other large projects which might be approved in the future years. The 2018/19 budget will be further updated in the first quarter monitor for 2018/19. The indicative future years analysis (2019+) will be updated as pipeline schemes are 'firmed-up'; these future years remain subject to approval in future capital programmes. Departments such as Children's Services, whose capital programme has traditionally depended on external specific grants, will be updated as and when future grants are confirmed.
- 4.5. Future CFR and MRP values will be revised once the full costing and financing of the Hammersmith Town Hall refurbishment and any other future projects is known.

5. CAPITAL FINANCE REQUIREMENT (CAPITAL DEBT)

- 5.1. The Capital Finance Requirement (CFR) measures the Council's long-term indebtedness. The General Fund Headline¹ CFR (excluding schools' windows borrowing) was **£50.48m** at the end of 2017/18. The increase of £3.23m in CFR in comparison to 2016/17 is due to the decision to apply general fund capital receipts generated in 2017/18 to fund Invest to Save expenditure under Flexible Use of Capital Receipts dispensation, as approved by the Cabinet in February 2018. Table 2 below presents the forecast CFR position.

Table 2 – General Fund CFR at Q4 2017/18 (including future years forecast)

GENERAL FUND CFR ANALYSIS	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
CFR EXCLUDING SCHOOLS WINDOWS	£m	£m	£m	£m	£m	£m
Opening Capital Finance Requirement (CFR)	44.18	47.25	50.48	63.01	62.87	63.71
Revenue Repayment of Debt (MRP)	(0.06)	(0.17)	(0.28)	(0.64)	(0.64)	(0.67)
Mainstream Programme (Surplus)/Shortfall	3.13	3.41	12.80	0.51	1.48	3.06
Closing Capital Finance Requirement (CFR)	47.25	50.48	63.01	62.87	63.71	66.11
SCHOOLS WINDOWS						
Opening Capital Finance Requirement (CFR)	1.12	3.57	6.63	19.74	19.21	18.44
Revenue Repayment of Debt (MRP)	(0.04)	(0.09)	(0.13)	(0.53)	(0.77)	(0.74)
Internal Borrowing (Schools Window Replacement)	2.50	3.14	13.24	-	-	-
Closing Capital Finance Requirement (CFR)	3.57	6.63	19.74	19.21	18.44	17.70
Total Headline Capital Finance Requirement (CFR)	50.82	57.11	82.74	82.08	82.15	83.81
Finance leases/PFI/ Deferred costs of disposal	11.05	10.33	9.53	8.73	7.93	7.13
Total Closing CFR	61.87	67.44	92.27	90.81	90.08	90.94

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

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

Table 3 – HRA CFR at Q4 2017/18 (including future years forecast)

HRA CFR Forecast	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Closing Forecast HRA CFR (excluding deferred costs of disposal)	204.84	204.85	207.09	218.40	223.06	235.59
Deferred Costs of Disposal	5.83	5.42	6.29	7.18	8.08	9.31
Closing Forecast HRA CFR (including deferred costs of disposal)	210.68	210.26	213.39	225.58	231.14	244.91

6. GENERAL FUND – MAINSTREAM PROGRAMME AND CAPITAL RECEIPTS

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

6.2. The 2017/18 mainstream programme has decreased by £2.9m in comparison to Q3 forecast budget of £12.1m. This is mainly due to slippages and re-profiling of the current capital schemes to future years.

6.3. General Fund Capital receipts for 2017/18 were £6.72m. A summary of actual and forecast receipts is included at Appendix 3.

6.4. As at the end of 2017/18, £0.5m of deferred disposal costs have been accrued in respect of anticipated General Fund disposals. These costs are netted against the receipt when received (subject to certain restrictions). In the event that a sale does not proceed these costs must be written back to revenue.

Table 4 – General Fund Mainstream Programme 2017-22 with proposed 2017/18 Q4 Variations

	Budget 2017/18 (Q3) £'000	Variations (Q4) £'000	Outturn 2017/18 £'000	2018/19 Original Budget £'000	Slippages £'000	2018/19 Revised Budget £'000	Indicative 2019/20 Budget £'000	Indicative 2020/21 Budget £'000	Indicative 2021/22 Budget £'000	Total Budget (All years) £'000
Approved Expenditure										
Ad Hoc Schemes:										
Schools Organisation Strategy [CHS] (mainstream element)*	765	(765)	-	25	(25)	-	-	-	-	-
Hammersmith Town Hall Refurbishment (Mainstream Element/CPMP) [ENV]	500	(228)	272	6,274	228	6,502	1,000	-	-	7,774
Other Capital Schemes [ENV]	4,658	(4,658)	-	-	-	-	-	-	-	-
Invest to Save-Flexible Use of Capital Receipts	-	5,790	5,790	-	930	930	-	-	-	6,720
Carnwath Road [ENV]	-	-	-	-	-	-	3,070	-	-	3,070
Rolling Programmes:										
Disabled Facilities Grant [ASC]	673	(673)	-	450	505	955	450	450	450	2,305
Planned Maintenance/DDA Programme [ENV]	1,685	(509)	1,176	3,190	509	3,699	1,500	2,500	2,500	11,375
Footways and Carriageways [ENV]	2,762	(1,024)	1,738	2,030	1,024	3,054	2,030	2,030	2,030	10,882
Controlled Parking Zones [ENV]	38	(34)	4	275	34	309	275	275	275	1,138
Column Replacement [ENV]	278	(278)	-	246	278	524	246	246	246	1,262
Parks Programme [ENV]	719	(499)	220	-	410	410	-	-	-	630
Total Mainstream Programmes	12,078	(2,878)	9,200	12,490	3,893	16,383	8,571	5,501	5,501	45,157
Financing										
Capital Receipts	7,069	(349)	6,720	1,920	(101)	1,819	7,539	3,501	1,920	21,500
General Fund Revenue Account	5,063	(5,059)	4	521	312	833	521	521	521	2,400
Capital Receipts Carried forward	-	(930)	(930)	-	930	930	-	-	-	-
Increase/(Decrease) in Internal Borrowing	(54)	3,460	3,406	10,049	2,752	12,801	511	1,479	3,060	21,257
Total Financing	12,078	(2,878)	9,200	12,490	3,893	16,383	8,571	5,501	5,501	45,157

7. Housing Capital Programme

7.1. Housing Capital Programme Overview

7.1.1 Housing Capital expenditure for 2017/18 totalled £37.9m. The expenditure and resource analysis of the Housing Programme is summarised in Table 5 below:

Table 5 – Housing Capital Programme 2017-22 with proposed 2017/18 Q4 Variations

	Budget 2017/18 (Q3)	Total Variations (Q4)	Outturn 2017/18	2018/19 Original Budget	Slippages, Additions and Reductions	2018/19 Revised Budget	Indicative 2019/20 Budget	Indicative 2020/21 Budget	Indicative 2021/22 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Approved Expenditure									
Decent Neighbourhood Schemes	16,101	(1,953)	14,148	30,583	(3,425)	27,158	25,573	22,307	13,079
HRA Schemes	33,163	(9,397)	23,766	45,540	(17,540)	28,000	35,000	35,000	35,000
Total Housing Programme - Approved Expenditure	49,264	(11,350)	37,914	76,123	(20,965)	55,158	60,573	57,307	48,079
Available and Approved Resource									
Capital Receipts - Unrestricted	13,747	(1,538)	12,209	6,902	1,020	7,922	4,200	4,742	4,742
Capital Receipts - RTB (141)	4,263	(13)	4,250	17,635	(4,305)	13,330	12,896	4,865	1,895
Capital Receipts - Sale of new build homes	414	(318)	96	-	-	-	-	-	-
Housing Revenue Account (revenue funding)	4,635	(4,635)	-	4,563	(4,563)	-	-	5,172	5,500
Major Repairs Reserve (MRR)	16,947	(686)	16,261	16,165	48	16,213	15,926	15,921	16,668
Contributions Developers (S106)	1,993	(113)	1,880	5,634	(2,140)	3,494	2,265	17,906	2,794
Repayment of NHHT loan	270	(270)	-	-	270	270	270	-	-
Contributions from leaseholders	6,845	(4,292)	2,553	4,390	4,292	8,682	3,860	4,048	3,945
Insurance claims	150	515	665	-	-	-	-	-	-
Use of reserves (Fire Safety EMR)	-	-	-	-	3,000	3,000	9,845	-	-
Internal Borrowing	-	-	-	20,834	(18,587)	2,247	11,311	4,653	12,535
Total Funding	49,264	(11,350)	37,914	76,123	(20,965)	55,158	60,573	57,307	48,079

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

7.1.3 The 2017/18 Decent Neighbourhoods Capital Programme has been fully funded.

7.2. HRA Capital Programme Outturn Position

7.2.1 Full year spend was £23.8m against the revised approved budget of £33.2m. The slippage of £9.4m was forecasted and reported in departmental budget monitoring reports and it was mainly due to delays in work starting because of the ongoing compliance checks on the planned programme.

7.2.2 The full year spend includes £2.1m of expenditure related to Health and Safety, of which £1.7m was on specific fire safety capital works. This is detailed in the table below:

Health and Safety related spend included in the minor works programme plus Estate CCTV	2017-18 Full Year Outturn			
	Original Full Year Budget £'000	2017/18 Q3 Revised Budget £'000	2017/18 Full year outturn at March -18 £'000	Variance to Q3 Revised Budget £'000
APPROVED SCHEMES				
Fire safety Improvements	1,500	1,330	538	(792)
Warden Call System Upgrade	1,032	150	14	(136)
Roseford, Woodford, Shepherds extract systems		26		(26)
Edward Woods communal extract system		100		(100)
Estate CCTV	250	350	352	2
Melrose Terrace controlled access		35	2	(33)
Controlled Access continuing programme	500	100	17	(83)
Fire Safety Plus Capital Works		5,000	1,144	(3,856)
Total	3,282	7,091	2,067	(5,024)

7.2.3 The Fire Safety Plus will progress once the specification of the programme is finalised (see 7.3.1 for further details). The Sheltered Housing Warden Call System upgrade has been delayed while the specification is refined. Controlled Access schemes have been held while the procurement strategy is reviewed. These schemes are expected to progress in 2018/19.

7.3 HRA Capital Programme Future Years Spend

7.3.1 The programme is indicatively forecasted to spend £133m in years 2018/19 – 2021/22. Contained within this is £18.9m on Fire Safety Plus which will fully utilise the £12.85m reserve set aside for these works by 2019/20. The forecasts will be refined over the first quarter of 2018/19 and over the longer term as the precise specification of the building regulations required for fire safety emerge. Presently these are unclear and will remain so until the public enquiry over Grenfell Tower is concluded. The Council is currently looking at procurement framework that will enable delivery of the revised programme.

7.4 Decent Neighbourhood Programme Outturn Position

7.4.1 Full year spend was £14.1m against the revised approved budget of £16.1m. Of the £1.95m variance, £1.02m of it related to Earls Court buybacks. This variance is because of the difficulty in accurately forecasting buybacks due to the variability in values and volumes of buybacks required. There was also some slippage on the Housing Direct Delivery programme and Stanhope Joint Venture both of which have put additional pressure on the risk of repaying RtB 1-4-1 receipts (expanded on in section 7.7.1).

7.5 Decent Neighbourhood Programme Future Years Spend

7.5.1 An estimated budget requirement of £88.1m for the years 2018/19 – 2021/22 has been forecasted. Large projects within this include Earls Court Buybacks (£20.5m), Edith Summerskill House via the Joint Venture (£35.4m) and the Affordable Housing Delivery Framework (£15.4m). For the latter only £3.2m of the forecast is on sites in progress. Therefore, additional sites are needed for this budget to be utilised on the delivery of additional affordable housing and the related use of Right to Buy 1-4-1 receipts.

7.6 S106 Receipts Risk

7.6.1 The proposed programme for 2018/19 - 2021/22 relies on £26.5m of s106 receipts. However, of this, only £3.6m is in hand. Whilst only receipts classified as low risk by Planning Officers were factored into the programme, the timing of these and risk rating can change. Forecasted CFR headroom within the HRA can meet temporary funding shortfalls of up to £9.8m until the end of 2021/22.

7.7 Right to Buy Receipt Risk

7.7.1 £14.5m of retained Right to Buy one for one receipts (RtB 1-4-1 receipts) must be used in 2018/19 or be repaid to the Ministry for Housing, Communities & Local Government. Of this only £1.94m is firmly committed. Continued careful management of this risk will be required, including ensuring that the Housing Development Programme, Property Acquisitions, Stanhope Joint Venture and Affordable Housing Delivery Framework all progressing as per the current forecast.

7.7.2 The GLA has recently made an offer to boroughs in its Homes for Londoners funding prospectus, whereby any RtB receipts and interest returned to MHCLG is passed to the GLA and held in a borough specific ring fenced account. The GLA

would hold the funding, with the Council directing how the funding would be spent against an agreed programme. This can be spent on Council projects or given to registered providers, which is the same as under current rules. This is considered as an effective mitigation for the RtB risk and at the time of writing officers are in the process of formalising the agreement with the GLA.

8. EQUALITY IMPLICATIONS

- 8.1. There are no direct equalities implications in relation to this report. This paper is concerned entirely with financial management issues and as such is not impacting directly on any protected group.

9. LEGAL IMPLICATIONS

- 9.1. There are no direct legal implications in relation to this report.
- 9.2. Implications completed by: Adesuwa Omoregie, Principal Solicitor, Planning and Highways, TBD Regeneration, tel. 020 8753 2297.

10. FINANCIAL IMPLICATIONS

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

11. IMPLICATIONS FOR BUSINESS

- 11.1. The Council's Capital Programme represents significant expenditure within the Borough and consequently, where supplies are sourced locally, may impact either positively or negatively on local contractors and sub-contractors. Where capital expenditure increases, or is brought forward, this may have a beneficial impact on local businesses; conversely, where expenditure decreases, or is slipped, there may be an adverse impact on local businesses.
- 11.2. Projects contained in the capital programme are approved on individual basis and the business implications for each of them are considered in more detail in their specific reports.
- 11.3. Implications completed by: Albena Karameros, Economic Development Team, tel. 07739 316 957.

12. RISK MANAGEMENT

- 12.1. Large scale capital projects can operate in environments which are complex, turbulent and continually evolving. Effective risk identification and control within such a dynamic environment is more than just populating a project risk register or appointing a project risk officer. Amplifying the known risks so that they are not hidden or ignored, demystifying the complex risks into their more manageable sum of parts and anticipating the slow emerging risks which have the ability to escalate rapidly are all necessary components of good capital programme risk management.
- 12.2. The impact to councils of the Grenfell Tower fire is yet to be fully established. It is certain that many councils will be undertaking property reviews to determine the levels of improvements required to ensure fire safety arrangements within their buildings meet both the expectations of the residents and that they comply with

building regulations and other statutory duties. The H&F Fire Safety Plus Programme is an excellent scheme that provides residents with assurance on safety. The Regulatory Reform (Fire Safety) Order 2005 places specific duties placed on the Council as the Responsible Person for its buildings to assess the risk from fire and put in measures to control those risks.

- 12.3. The Dame Judith Hackitt independent review of fire safety, following the Grenfell tragedy, recognises that High Rise Residential Buildings (10 Storeys and above) are a special risk where layers of fire protection must be put in place so as to reduce the risk to as low as reasonable possible, however reducing the risk for all residential accommodation is fundamental. This process is an on-going and must be continually reviewed but at least annually.
- 12.4. All works must comply with the Construction (Design and Management) Regulations. The Council must appoint a Principal Designer and Principal Contractor with the necessary and demonstrable expertise and competence.
- 12.5. Proposals set out in this report seek to comply with the Council's legal duties.
- 12.6. Implications completed by: Michael Sloniowski, Risk Manager Tel: 020 8753 2587 and Richard Buckley, Head of Environmental Health (Residential) & Corporate Safety, tel: 020 8753 3971

13. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 13.1. There are no immediate procurement or IT implications arising from this report. The corporate Procurement team will advise and support service departments on their major capital procurements as and when such support is required, including consideration of whether and how any social value, local economic and community benefits might be obtained from these.
- 13.2. Implications completed by: Joanna Angelides on behalf of Simon Davis. Tel: 020 7361 2586.

14. VAT IMPLICATIONS

- 14.1. The Council needs to carefully consider its VAT partial exemption calculation and the risk of breaching the partial exemption threshold. Capital projects represent the bulk of this risk. A breach would likely cost the Council between £2m-£3m. The Council remained below the threshold in 2017/18 however there remains a risk of breaching the threshold in future years if the position is not carefully managed on an ongoing basis. Further detail on the Council's partial exemption is included in Appendix 4.
- 14.2. Implications verified/completed by: Chris Harris, Chief Accountant, Corporate Finance, Tel: 020 8753 6440.

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

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Capital Programme 2017-21 (Published Feb 2017)	Andrew Lord tel. 2531 Chris Harris tel. 6440	Finance Dept., Room10, Hammersmith Town Hall

LIST OF APPENDICES:

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

Appendix 2 – Analysis of Budget Variations

Appendix 3 – Capital Receipts Forecast

Appendix 4 - VAT Partial Exemption

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

Children's Services

	Current Year Programme					Next Year Programme			Indicative Future Years Analysis				
	Analysis of Movements (Q3 to Q4)					2018/19 Original Budget	Slippages, Additions and Reductions	2018/19 Revised Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	Total Budget (All years)	
	Budget 2017/18 (Q3)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements								Outturn 2017/18
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Scheme Expenditure Summary													
Lyric Theatre Development	600	(548)	-	-	(548)	52	1,100	(552)	548	-	-	-	600
Schools Organisational Strategy	17,181	(4,058)	745	-	(3,313)	13,868	5,615	4,058	9,673	331	-	-	23,872
Schools Window Replacement Project	3,299	(155)	-	-	(155)	3,144	13,085	155	13,240	-	-	-	16,384
Other Capital Schemes	378	(690)	655	-	(35)	343	-	690	690	-	-	-	1,033
Total Expenditure	21,458	(5,451)	1,400	-	(4,051)	17,407	19,800	4,351	24,151	331	-	-	41,889
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government	8,621	(4,106)	900	790	(2,416)	6,205	4,184	4,238	8,422	-	-	-	14,627
Grants and Contributions from Private Developers (includes S106)	8,173	(667)	500	-	(167)	8,006	1,406	535	1,941	331	-	-	10,278
Capital Grants/Contributions from Non-departmental public bodies	600	(548)	-	(52)	600	-	1,100	(552)	548	-	-	-	548
Sub-total - Specific or Other Financing	17,394	(5,321)	1,400	738	(3,183)	14,211	6,690	4,221	10,911	331	-	-	25,453
Mainstream Financing (Internal Council Resource)													
Capital Receipts	765	25	-	(790)	(765)	-	25	(25)	-	-	-	-	-
Use of Reserves	-	-	-	52	52	52	-	-	-	-	-	-	52
Sub-total - Mainstream Funding	765	25	-	(738)	(713)	52	25	(25)	-	-	-	-	52
Borrowing - non school windows	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing - school windows	3,299	(155)	-	-	(155)	3,144	13,085	155	13,240	-	-	-	16,384
Funding to be identified/agreed	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	21,458	(5,451)	1,400	-	(4,051)	17,407	19,800	4,351	24,151	331	-	-	41,889

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

Adult Social Care Services

	Current Year Programme						Next Year Programme			Indicative Future Years Analysis			
	Analysis of Movements (Q3 to Q4)					Outturn 2017/18 £'000	2018/19 Original Budget £'000	Slippages, Additions and Reductions £'000	2018/19 Revised Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget (All years) £'000
	Budget 2017/18 (Q3) £'000	Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000								
Scheme Expenditure Summary													
Extra Care New Build project (Adults' Personal Social Services Grant)	-	-	-	-	-	-	20	-	20	937	-	-	957
Community Capacity Grant	2	(2)	-	-	(2)	-	-	2	2	-	-	-	2
Transforming Care (Winterbourne Grant)	300	(300)	-	-	(300)	-	-	300	300	-	-	-	300
Social Care Capital Grant	1,460	(1,067)	-	-	(1,067)	393	-	1,067	1,067	-	-	-	1,460
Total Expenditure	1,762	(1,369)	-	-	(1,369)	393	20	1,369	1,389	937	-	-	2,719
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government	1,462	(1,069)	-	-	(1,069)	393	20	1,069	1,089	937	-	-	2,419
Capital Grants/Contributions from Non-departmental public bodies	300	(300)	-	-	(300)	-	-	300	300	-	-	-	300
Sub-total - Specific or Other Financing	1,762	(1,369)	-	-	(1,369)	393	20	1,369	1,389	937	-	-	2,719
Mainstream Financing (Internal Council Resource)													
Capital Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Mainstream Funding	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	1,762	(1,369)	-	-	(1,369)	393	20	1,369	1,389	937	-	-	2,719

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

Environmental Services

	Current Year Programme					Next Year Programme			Indicative Future Years Analysis				
	Budget 2017/18 (Q3) £'000	Analysis of Movements (Q3 to Q4)				Outturn 2017/18 £'000	2018/19 Original Budget £'000	Slippages, Additions and Reductions £'000	2018/19 Revised Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget (All years) £'000
		Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000								
Planned Maintenance/DDA Programme	1,700	(509)	-	-	(509)	1,191	3,190	509	3,699	1,500	2,500	2,500	11,390
King Street-Town Hall Redevelopment	500	(228)	-	-	(228)	272	6,274	228	6,502	1,000	-	-	7,774
Footways and Carriageways	2,748	(1,024)	-	-	(1,024)	1,724	2,030	1,024	3,054	2,030	2,030	2,030	10,868
Transport For London Schemes	2,401	(832)	339	-	(493)	1,908	2,157	832	2,989	2,157	2,157	2,157	11,368
Controlled Parking Zones	38	(34)	-	-	(34)	4	275	34	309	275	275	275	1,138
Column Replacement	278	(278)	-	-	(278)	-	246	278	524	246	246	246	1,262
Carnwath Road	-	-	-	-	-	-	-	-	-	3,070	-	-	3,070
Hammersmith Bridge Strengthening	170	-	(170)	-	(170)	-	-	-	-	-	-	-	-
LED Lighting Replacement Programme	2,263	(1,019)	-	-	(1,019)	1,244	-	1,019	1,019	-	-	-	2,263
P&D Upgrade and Pay by Phone	2,393	(1,132)	-	-	(1,132)	1,261	-	1,132	1,132	-	-	-	2,393
Other Capital Schemes	3,579	(2,301)	696	-	(1,605)	1,974	-	2,301	2,301	-	-	-	4,275
Parks Expenditure	2,419	(1,770)	42	-	(1,728)	691	845	1,770	2,615	500	-	-	3,806
Alternative Weed Treatment	100	-	-	-	-	100	-	-	-	-	-	-	100
Shepherds Bush Common Improvements	183	(103)	-	-	(103)	80	400	103	503	-	-	-	583
Recycling	19	(19)	-	-	(19)	-	-	19	19	-	-	-	19
CCTV	52	(140)	343	-	203	255	-	140	140	-	-	-	395
Total Expenditure	18,843	(9,389)	1,250	-	(8,139)	10,704	15,417	9,389	24,806	10,778	7,208	7,208	60,704
Capital Financing Summary													
Specific/External or Other Financing													
Grants and Contributions from Private Developers (includes S106)	10,409	(6,007)	625	64	(5,318)	5,091	1,245	6,007	7,252	500	-	-	12,843
Capital Grants and Contributions from GLA Bodies	2,350	(804)	329	-	(475)	1,875	2,157	804	2,961	2,157	2,157	2,157	11,307
Sub-total - Specific or Other Financing	12,759	(6,811)	954	64	(5,793)	6,966	3,402	6,811	10,213	2,657	2,157	2,157	24,150
Mainstream Financing (Internal Council Resource)													
Capital Receipts	5,579	(2,173)	-	(3,406)	(5,579)	-	1,445	(581)	864	7,089	3,051	1,470	12,474
Housing Revenue Account (revenue funding)	100	-	-	(64)	(64)	36	-	-	-	-	-	-	36
General Fund Revenue Account (revenue funding)	316	(316)	15	-	(301)	15	521	316	837	521	521	521	2,415
Use of Reserves	89	(89)	281	-	192	281	-	89	89	-	-	-	370
Sub-total - Mainstream Funding	6,084	(2,578)	296	(3,470)	(5,752)	332	1,966	(176)	1,790	7,610	3,572	1,991	15,295
Borrowing	-	-	-	3,406	3,406	3,406	10,049	2,754	12,803	511	1,479	3,060	21,259
Total Capital Financing	18,843	(9,389)	1,250	-	(8,139)	10,704	15,417	9,389	24,806	10,778	7,208	7,208	60,704

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

Finance & Corporate Governance

	Current Year Programme						Next Year Programme			Indicative Future Years Analysis			
	Budget 2017/18 (Q3) £'000	Analysis of Movements (Q3 to Q4)				Outturn 2017/18 £'000	2018/19 Original Budget £'000	Slippages, Additions and Reductions £'000	2018/19 Revised Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget (All years) £'000
		Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000								
Scheme Expenditure Summary													
Invest to Save - Flexible Use of Capital Receipts	-	-	5,790	-	5,790	5,790	-	930	930	-	-	-	6,720
Total Expenditure	-	-	5,790	-	5,790	5,790	-	930	930	-	-	-	6,720
Capital Financing Summary													
Mainstream Financing (Internal Council Resource)													
Capital Receipts	-	-	5,790	-	5,790	5,790	-	930	930	-	-	-	6,720
Sub-total - Mainstream Funding	-	-	5,790	-	5,790	5,790	-	930	930	-	-	-	6,720
Total Capital Financing	-	-	5,790	-	5,790	5,790	-	930	930	-	-	-	6,720

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

General Fund Schemes under Housing management	Current Year Programme						Next Year Programme			Indicative Future Years Analysis			
	Analysis of Movements (Q3 to Q4)						2018/19 Original Budget	Slippages, Additions and Reductions	2018/19 Revised Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	Total Budget (All years)
	Revised Budget 2017/18 (Q3)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Outturn 2017/18							
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Scheme Expenditure Summary													
Disabled Facilities Grant	1,282	(505)	120	-	(385)	897	450	505	955	450	450	450	3,202
Sands End Community Centre	500	(73)	-	-	(73)	427	1,600	593	2,193	380	-	-	3,000
Macbeth Centre GLA Community Kitchen	-	-	20	-	20	20	-	-	-	-	-	-	20
Total Expenditure	1,782	(578)	140	-	(438)	1,344	2,050	1,098	3,148	830	450	450	6,222
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government	609		120	168	288	897	-	-	-	-	-	-	897
Grants and Contributions from Private Developers (includes S106)	200	(167)	-	-	(167)	33	1,000	687	1,687	280	-	-	2,000
Capital Grants/Contributions from Non-departmental public bodies	300	94	-	-	94	394	600	(94)	506	100	-	-	1,000
Capital Grants and Contributions from GLA Bodies	-	-	20	-	20	20	-	-	-	-	-	-	20
Sub-total - Specific or Other Financing	1,109	(73)	140	168	235	1,344	1,600	593	2,193	380	-	-	3,917
Mainstream Financing (Internal Council Resource)													
Capital Receipts (GF)	673	(505)	-	(168)	(673)	-	450	505	955	450	450	450	2,305
Sub-total - Mainstream Funding	673	(505)	-	(168)	(673)	-	450	505	955	450	450	450	2,305
Borrowing (Internal Borrowing-GF)													
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	1,782	(578)	140	-	(438)	1,344	2,050	1,098	3,148	830	450	450	6,222

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

Housing Capital Programme	Current Year Programme					Next Year Programme			Indicative Future Years Analysis				
	Analysis of Movements (Q3 to Q4)					2018/19 Original Budget	Slippages, Additions and Reductions	2018/19 Revised Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	Total Budget (All years)	
	Budget 2017/18 (Q3)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements								Outturn 2017/18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Scheme Expenditure Summary													
HRA Schemes:													
Other HRA Capital Schemes	28,163	(5,466)	(75)	-	(5,541)	22,622	30,540	(5,540)	25,000	24,000	30,144	35,000	136,766
Fire Safety Plus	5,000	(3,856)	-	-	(3,856)	1,144	15,000	(12,000)	3,000	11,000	4,856	-	20,000
Subtotal HRA	33,163	(9,322)	(75)	-	(9,397)	23,766	45,540	(17,540)	28,000	35,000	35,000	35,000	156,766
Decent Neighbourhood Schemes:													
Earls Court Buy Back Costs	6,138	(1,023)	-	-	(1,023)	5,115	4,062	867	4,929	2,415	6,357	6,762	25,578
Earls Court Project Team Costs	680	(104)	(87)	-	(191)	489	926	-	926	907	925	1,266	4,513
Housing Development Project	436	(292)	28	-	(264)	172	8,554	(1,083)	7,471	4,303	-	-	11,946
Stanhope Joint Venture	2,922	(392)	-	-	(392)	2,530	5,592	(3,723)	1,869	11,392	15,835	6,317	37,943
Other HRA	6,605	(820)	480	(81)	(421)	6,184	375	4,699	5,074	-	-	-	11,258
Affordable Housing Delivery Framework	-	49	17	81	147	147	12,000	(4,185)	7,815	7,464	114	-	15,540
Subtotal Decent Neighbourhoods	16,781	(2,582)	438	-	(2,144)	14,637	31,509	(3,425)	28,084	26,481	23,231	14,345	106,778
Total Expenditure	49,944	(11,904)	363	-	(11,541)	38,403	77,049	(20,965)	56,084	61,481	58,231	49,345	263,544
Adjustment for deferred costs	(680)	104	87	-	191	(489)	(926)	-	(926)	(907)	(925)	(1,266)	(4,513)
Total Net Expenditure	49,264	(11,800)	450	-	(11,350)	37,914	76,123	(20,965)	55,158	60,574	57,306	48,079	259,031
Capital Financing Summary													
Specific/External or Other Financing													
Contributions from leaseholders	6,644	(4,091)	-	-	(4,091)	2,553	4,390	4,292	8,682	3,860	4,048	3,945	23,088
Grants and Contributions from Private Developers (includes S106)	1,994	(516)	402	-	(114)	1,880	5,634	(2,140)	3,494	2,265	17,906	2,794	28,339
Capital Grants/Contributions from Non-departmental public bodies	270	(270)	-	-	(270)	-	-	270	270	270	-	-	540
Insurance claims	150	-	515	-	515	665	-	-	-	-	-	-	665
Sub-total - Specific or Other Financing	9,058	(4,877)	917	-	(3,960)	5,098	10,024	2,422	12,446	6,395	21,954	6,739	52,632
Mainstream Financing (Internal Council Resource)													
Capital Receipts (HRA)	18,676	(6,923)	219	4,583	(2,121)	16,555	24,538	(3,285)	21,253	17,097	9,607	6,637	71,149
Housing Revenue Account (revenue funding)	-	-	-	-	-	-	4,563	(4,563)	-	-	5,172	5,500	10,672
Major Repairs Reserve (MRR) / Major Repairs	21,530	-	(686)	(4,583)	(5,269)	16,261	16,165	48	16,213	15,926	15,921	16,668	80,989
Use of Reserves (Fire Safety EMR)	-	-	-	-	-	-	-	3,000	3,000	9,845	-	-	12,845
Sub-total - Mainstream Funding	40,206	(6,923)	(467)	-	(7,390)	32,816	45,266	(4,800)	40,466	42,868	30,700	28,805	175,655
Borrowing (Internal Borrowing)	-	-	-	-	-	-	20,833	(18,587)	2,246	11,311	4,652	12,535	30,744
Total Capital Financing	49,264	(11,800)	450	-	(11,350)	37,914	76,123	(20,965)	55,158	60,574	57,306	48,079	259,031

Appendix 2 – Analysis of Budget Variations

Variation by Service	Amount £'000
Children's Services (CHS)	
School's Organisation Strategy – Slippage to 2018/19 in respect of the following projects: Phoenix High School £1,800k Bridge Academy £786k Slippage on other external grant funded schemes £1,472k	(4,058)
Schools Windows Replacement Project – slippages due to project delays	(155)
Other Capital Schemes – slippages in respect of Short Breaks Grant (£42k) and EFA 2 year olds grant (£648k)	(690)
Lyric Theatre - the slippage represents retained amounts to be paid for completion of outstanding leases	(548)
Additional budgets approved: Queens Manor - £500k to adjust budget as approved by Cabinet on 04/07/16 and LUD in Oct 2017 and funded by S106 Holly Cross £114k and VA schools irrecoverable VAT payments £131k - approved by the Strategic Director of Finance in consultation with Cabinet Member for Finance as per delegated authority given by Cabinet on 05/03/18 in order to assist production of final accounts. Additional budgets funded by Basic Needs grant EFA Two-Year-old grant - £655k to adjust budget as approved by Cabinet on 04/07/16	1,400
Total CHS variations	(4,051)
Adult Social Care (ASC)	
Social Care Capital Grant - slippage due to the delay in projects	(1,069)
Transforming Care (Winterbourne Grant) - slippage due to the delay in projects	(300)
Total ASC variations	(1,369)
Environmental Services (ENV)	
Net reduction of £(493)k in TFL funded schemes consists of slippage of £(832)k due to project delays and budget addition of £339k to reflect additional funding received	(493)
King Street - Hammersmith Town Hall Redevelopment - slippage due to project delays	(228)
Footways and Carriageways - slippage due to delayed start of capital works	(1,024)
Controlled Parking Zones - slippage to future years	(34)
Planned Maintenance/DDA Programme-slippage due to delays in progressing a number of small projects carried out by the Council's contractors	(509)
Column Replacement - slippage to future years	(278)
Hammersmith Bridge Strengthening – reduction in budget of £(170)k	(170)
LED Replacement Programme - slippages to 2018/19 due to delays in installation of new equipment	(1,019)
Pay and Display Upgrade and Pay by Phone scheme - slippages to 2018/19 due to delays in installation of new equipment	(1,132)
Slippage on Other Capital Schemes - £(1.6)m net budget variance consists of £696k of additional budget mainly in relation to various S106 schemes and £(2.3)m slippages to future years	(1,605)
Recycling – slippages due to the project delays	(19)
Parks Programme – net variance comprising of slippages to future years due to phasing of works and project delays (£1,770)k and £42k of additional budget to reflect funding received during the year	(1,728)
Public CCTV - net variance of £203k which consists of slippages to next year of	203

£(140)k and £343k of additional S106 funded budget	
Shepherds Bush Common Improvements-slippage mainly due to old Ginglik Club works. Awaiting decision on the most appropriate course of action.	(103)
Total ENV variations	(8,139)
Finance and Corporate Services (FCS)	
Capitalisation of Invest to Save projects under Flexible Use of Capital Receipts dispensation – as approved by Cabinet on 05/02/18	5,790
Total FCS variations	5,790
General Fund Schemes under Housing management	
Disabled Facilities Grant - slippage due to delay in processing applications	(385)
Sands End Community Centre - slippage due to project delays	(73)
Macbeth Centre Community Kitchen development – new budget to reflect external funding received	20
Total GF Schemes under Housing management	(438)
Housing Capital Programme	
HRA schemes - slippage to future years due to the ongoing compliance checks on the planned programme.	(9,397)
Earls Court - slippage due to actual number of 2017/18 Earls Court buybacks being lower than forecasted in Q3.	(1,023)
Housing Development Project - slippages result of delay in start of the existing housing development schemes due to the procurement issues.	(264)
Other HRA projects- net variance consists of slippages (£820k) in relation to the Fulham Court Housing Estate Improvement Programme (HEIP) scheme and Shop Investment budget, additions to the budget of £758k mainly on property buybacks (part of Mar 18 approval of £4.9m), £278k reduction of budget for completed HEIP schemes (Becklow Gardens & Sullivan Court) and transfer of £81k of Emlyn Gardens budget to Affordable Housing Delivery Framework.	(421)
Stanhope Joint Venture - variance relates to slippages on the Edith Summerskill House demolition and pre-development costs	(392)
Affordable Housing Delivery Framework - net variance of £147k consists of £49k slippages from future years to cover the 17/18 accruals for RtB grant payments for Fulham North Housing office and Lavender Court developments, transfer of £81k budget for Emlyn Gardens Grant from SJV and additional budget of £17k for staffing capitalisation for these schemes.	147
Total Housing variations	(11,350)
Funding Variations	
The Mainstream Programme was in deficit at the end of 2017/18 due to the decision to apply in year generated capital receipts to fund Invest to Save schemes under flexible use of capital receipts dispensation. This has necessitated switching £3.4m of capital receipt financing to temporary internal borrowing for the 2017/18 programme. This funding variation does not impact the overall capital expenditure budget.	-
Grand Total 2017-18 Variations	(19,550)
2018-19 Variations	
Net Slippages from 2017-18 (covered by above variations)	28,587
Children's Services – reduction in Lyric project budget to reflect estimated residual costs	(1,100)
Sands End Community Centre – additional budget to reflect actual external funding received	520
Invest to Save - residual amount of 2017/18 capital receipts to finance 2018/19 ITS expenditure	930
Housing – Slippage to future years (2019+) of various existing schemes due to reprogramming and re-phasing	(25,109)
Grand Total 2018-19 Variations	(3,828)

Appendix 3 – General Fund – Forecast Capital Receipts

Year/Property	Previous Forecast £'000s	Movement/ Slippage £'000s	Forecast Outturn at Quarter 4 £'000s	Full sales proceeds @ Q4 £'000s	Deferred Costs of Disposal reserved £'000s
2017/18					
Total 2017/18	7,069	(349)	6,720	6,720	-
2018/19					
Total 2018/19	1,920	829	2,749	-	200
2019/20					
Total 2019/20	9,120	(1,581)	7,539	-	280
2020/21					
Total 2020/21	1,920	1,581	3,501	-	-
2021/22					
Total 2021/22	1,920	-	1,920	-	-
Total All Years	21,949	480	22,429	6,720	480

Appendix 4 – VAT Partial Exemption

1. Partial Exemption Overview

- 1.1. In general, businesses cannot recover the VAT incurred on purchases made in connection with VAT exempt activities, for example, capital expenditure on properties which are let or leased are exempt from VAT. However, under Section 33 of the VAT Act 1994, local authorities are able to recover this VAT so long as it forms “an insignificant proportion” of the total VAT incurred (input tax) in any year. This insignificant proportion is taken to be 5% or less. Crucially however, the de minimis limit is not an allowance; if the 5% figure is exceeded then all the exempt input tax is lost, not just that which is in excess of the limit. The cost to the Council of non-allowable breach would therefore be in excess of £2m.

If councils breach their partial exemption limit in a single year, they can apply their 7-year average partial exemption calculation to be considered for that particular year for their calculation instead. Each ‘7-year average’ calculation is independent, ie the ‘7-year average’ can be relied upon even if already relied upon previously within 7 years (though clearly the ‘7-year average’ will then eventually be breached).


2. LBHF Partial Exemption

- 2.1 The Council’s input tax forecast for 2017/18 (across all expenditure) was £41m and it is projected to remain at a similar level in the medium term. This means it would likely cost the Council £2m (being 5% of £41m) of exempt input tax before it breaches its partial exemption limit.
- 2.2 When calculating the exempt input tax incurred annually, the Council considers its revenue and capital activities separately. Revenue activities are more constant, their contribution to exempt input tax is projected to remain at £2m. Exempt input tax relating to capital activities is more volatile as each project must be considered and judged individually and can have significant associated costs.
- 2.3 Land and lease transactions give rise to exempt supply. Capital projects involving these usually give rise to exempt input tax, although wherever possible the Council uses its VAT policy (see section 3) to mitigate this.
- 2.4 The Council has a number of capital projects, both in train and in the pipeline, which could have significant partial exemption implications.

3. VAT Policy

- 3.1 In order to manage the partial exemption position the following policy is in place:
- Projects should be 'opted-to-tax' where this option is available and is of no financial disadvantage to the Council.
 - If an option-to tax is unavailable it is advised that any avoidable, new projects incurring exempt VAT are deferred for the present time.
 - There is only limited room in the future years partial exemption forecasts. Therefore, new or re-profiled projects incurring exempt VAT will need to be agreed with the Corporate VAT team.

- In all cases the VAT team should be consulted in advance in order that the forecasts can be updated and re-checked against limits.

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">9 JULY 2018</p>	
<p>2017/18 CORPORATE REVENUE OUTTURN REPORT</p>	
<p>Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For Information</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Hitesh Jolapara – Strategic Director, Finance and Governance</p>	
<p>Report Author: Gary Ironmonger – Finance Manager Andrew Lord – Head of Strategic Planning and Monitoring</p>	<p>Contact Details: Tel: 020 8753 2109 E-mail: Gary.Ironmonger@lbhf.gov.uk</p>

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 is the concluding part of the Council's 2017/18 budgetary control cycle. Budgetary control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Cabinet Members, the Chief Executive, and Directors in discharging the statutory responsibility.
- 1.2. The Councils' Accounts are closed a month ahead of the statutory deadline of 31st May 2018 and are subject to external audit. The outcome of the audit will be reported to the July Audit Committee.
- 1.3. The provisional General Fund departmental revenue outturn variance is an unfavourable £1.660 after applying unused contingency budgets. The council identified section 106 (S106) funding to mitigate the

additional pressures and costs arising from new developments, so the consolidated final position is a net break even.

- 1.4. Within this overall position there is a significant overspend in Children's Services of £3.2m and an overspend in Corporate Services of £0.5m.
- 1.5. The High Needs Block, funded through Dedicated Schools Grant, overspent by £5.5m in 2017/18. The cumulative total DSG deficit balance is now £7m with an additional £4.5m deficit anticipated in 2018/19. The need to tackle this £11.5m cumulative deficit will potentially impact on future school and council resources.
- 1.6. The provisional HRA variance is £0.052m (Table 2). The reasons for the overspend are explained in Appendix 2. Overall HRA general balances have reduced by £10.183m to £9.946m. This is attributable to the budget variance of £0.052m, the budgeted use of balances of £1.382m and the transfer of £8.749m to earmarked reserves. HRA Earmarked reserves at the year-end have increased from £25m to £42m
- 1.7. General Fund Balances have remained unchanged at £19.004m. Earmarked Reserves increased from £82.986m to £94.944m. In part this is due to a decision to capitalise invest to save costs of £5.8m and a technical adjustment relating to business rate appeals of £5.2m (which will reverse out in 2018/19). It is estimated that at least £40m of the earmarked reserves are either committed or have a restricted¹ purpose. This leaves £55m for future use.
- 1.8. Total capital expenditure for the year was £73.6m. This comprised expenditure in the General Fund of £35.6m and £38m in the HRA. A separate Report sets out the detailed capital outturn.

2. RECOMMENDATIONS

- 2.1. To note, subject to audit, the General Fund overspend of £1.660m net of unused budgeted contingency. This has reduced to a consolidated net break even position through draw down of additional section 106 resources of £1.6m.
- 2.2. To note the provisional HRA variance is £0.052m (table 2). Overall HRA general balances have reduced by £10.183m to £9.946m. This is attributable to the budget variance of £0.052m, the budgeted use of balances of £1.382m and the transfer of £8.749m to specific reserves.
- 2.3. To note that general fund earmarked reserves are £94.99m and general balances are £19.0m as at 31st March 2018, subject to audit.
- 2.4. To note the capital outturn of £73.6m.

¹ Restricted use reserves include the insurance fund, grants and section resources.

3. REASONS FOR DECISION

- 3.1. To confirm the financial position as at 31st March 2018. This report outlines the provisional revenue outturn position, income and expenditure for 2017/18, and the consequent effect on the Council's levels of balances and reserves.

4. GENERAL FUND OUTTURN

Table 1: Draft General Fund Outturn 2017/18²

Department	Revised Budget	Actual	Gross Variance
	£m	£m	£m
Adult Social Care	60.467	60.491	0.024
Centrally Managed Budgets	29.943	29.906	(0.037)
Children's Services	57.206	60.427	3.221
Controlled Parking Account	(22.511)	(23.154)	(0.643)
Corporate Services	20.173	20.725	0.552
Environmental Services	46.887	47.254	0.367
Housing & Regeneration	11.924	11.907	(0.017)
Libraries & Archives Service	2.843	2.856	0.013
Public Health	0.000	0.000	0.000 ³
Total Departmental	206.932	210.412	3.480
Remaining Contingency	1.880		(1.880)
Variance against budget	208.812	210.412	1.600
Use of additional S106 funds			(1.600)
Final Position			0.000
High Needs Block (DSG) overspend			5.551 ⁴

² Figures in brackets are underspends.

³ Public Health is funded through ring-fenced grant. The nil variance identifies that no additional council contribution was required. The actual draw down of grant was £546k less than budgeted. The unspent grant carries forward to 2018/19..

⁴ This is the in-year deficit for the High Needs Block. The cumulative deficit on the DSG in total is £7m.

- 4.1. Table 1 shows the provisional departmental General Fund revenue outturn variance is an unfavourable £3.480m. After accounting for remaining contingency, the unfavourable variance (overspend) was £1.6m.
- 4.2. Within this overall position, significant overspends were recorded in:
- Children's Services (£3.2m) - £1.4m Family Services, £1.4m Education and £0.6m Commissioning overspends on Looked After Children/Leaving Care Placement and Staffing;
 - Corporate Services (£0.5m) – £0.5m Commercial, £0.3m Legal, £0.1 Public Services Reform offset by underspends in other services
 - Environmental Services (£0.3m)

A detailed explanation of the variances is provided in Appendix 1.

- 4.3. Additional S106 funding was used to mitigate the additional pressures and costs arising from new developments. It should be noted that the use of S106 funds as a one-off measure does not address the underlying overspend but provides short-term funding to address the in-year overspend. These pressures will continue to provide a challenge in 2018/19.

5. DEDICATED SCHOOLS GRANT

- 5.1. Dedicated schools grant (DSG) is paid in support of local authority schools budgets, being the main source of income for the schools' budget. This is split between central expenditure and the individual schools budget (ISB) in conjunction with the local schools' forum.
- 5.2. The High Needs Block funding has come under increased pressure in recent years and overspent by £5.5m in 2017-18. The Council now has a cumulative overspend on the Dedicated Schools Grant of £7m. This deficit is expected to increase by a further £4.5m to £11.5m in 2018/19. This forecast includes an agreed transfer of funds in 2018/19 of £506k from the Schools' block to the High Needs block
- 5.3. Children's Services are considering the actions required to fund the overspend. This includes requesting additional funding from the Education Funding Agency to address a shortfall in funding from government compared to the number of students in the borough with special educational needs. Should funding not be forthcoming the Council and schools will need to address the deficit.

6. HOUSING REVENUE ACCOUNT OUTTURN

- 6.1. The HRA provisional variance is £0.052m. The reasons for the overspend are reported in a separate HRA outturn report. Overall HRA

general balances have reduced by £10.183m to £9.946m. This is largely due to a transfer to specific reserves of £8.749m.

Table 2: 2017/18 Housing Revenue Account Outturn

Housing Revenue Account	£m
Balance 31 March 2017	(20.129)
Budgeted use of balances	1.382
HRA variance	0.052
Transfer to specific reserves	8.749
Balance 31st March 2018	(9.946)

7. RESERVES⁵, BALANCES AND PROVISIONS⁶

- 7.1. General Fund Balances remain at £19.004m (4% of the gross budget excluding Housing Benefit transfer payments). This is within the range of £14m to £20m agreed as part of the Council's Budget. Maintaining balances within this range is considered prudent given budget pressures and risks.
- 7.2. General Fund earmarked reserves total £94.994m at the close of 2017/18 an increase of £12m from the 2017/18 opening balance of £82.986. This increase is mainly due to:
- The Council has made use of the Government relaxation on the use of capital receipts to fund invest to save costs of £5.8m.
 - A technical adjustment of £5.2m relating to business rates. The Council has had to set aside this sum to meet the cost of appeals with funding coming from government safety net grant.
 - An increase of £2.2m in government grants and section 106 contributions carried forward.
- 7.3. Initial review indicates that at least £40m of the earmarked reserves have a restricted use (such as £6.3m for the Insurance Fund or £6.3m for grants and section contributions) or are committed (such as £9.3m for Managed Services or £5.2m for business rates). The available reserves carried forward are estimated to be less than £55m. This will be reviewed in the new financial year.
- 7.4. HRA reserves are £41.664m. Departmental analysis (the figures will be updated in line with the new departmental structures for 2018/19) is shown in table 3 and further detail in appendix 2.
- 7.5. Provisions have increased by £1.958m to £10.078m and are detailed in appendix 3.

⁵ Reserves in general balances are amounts set aside which are for future policy purposes or to cover contingencies. Earmarked reserves are for specific expenditure or projects only.

⁶ A provision is an amount set aside for liabilities anticipated in the future which cannot always be accurately quantified. A provision is for a present obligation as the result of a past event.

Table 3: Earmarked Reserves, Balances & Provisions at 31 March 2018

Department	31 March 2017 £m	31 March 2018 £m
Adult Social Care	3.722	3.442
Children's Services	2.342	3.850
Corporate ⁷	64.733	73.459
Environmental Services	8.548	5.499
Libraries	0.058	0.004
Housing and Regeneration	3.673	8.740
General Fund Earmarked Reserves	82.986	94.994
Housing Revenue Account Reserves	25.325	41.664
Earmarked Reserves	108.310	136.658
Provisions	8.119	10.078
General Balances	19.004	19.004
Total	135.433	165.740

8. CAPITAL PROGRAMME

- 8.1. Total capital expenditure for the financial year was £73.6m. This comprised expenditure in the General Fund of £49.8m and £23.8m in the HRA.
- 8.2. A summary of capital expenditure by department and capital financing is included below. A more detailed capital out-turn report by scheme, together with carry-forward requests and slippage adjustments, is also presented on this Agenda.

Table 8 - Capital Expenditure and Funding Summary 2017/18

Department	2017/18 £'000
Adult Social Care	393
Children's Services	17,409
Environmental Services	10,704
Finance and Corporate Services	5,790
Housing Revenue Account	23,766
Housing and Regeneration	14,148

⁷ These include £8.2m of reserves, such as insurance, that are effectively ring-fenced or, if used, expose the Council to risk

Department	2017/18 £'000
General Fund Schemes under Housing Management	1,344
Total	73,556

Capital Financing	2017/18 £'000
Capital Receipts	22,345
Increase in Capital Finance Requirement (CFR)	6,550
Capital Grants and Contributions	26,644
Major Repairs Reserve	16,261
Council and School Reserves	1,703
Housing Revenue Account	37
General Fund Revenue Account	15
Total	73,556

9. CONSULTATION

9.1. With Departments and Strategic Leadership Team.

10. EQUALITY IMPLICATIONS

10.1. Cabinet is asked to note the Corporate Revenue outturn for 2017/18. It is not asked to make any decisions nor take any action, hence there are no equality implications arising from this report.

10.2. Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

11. LEGAL IMPLICATIONS

11.1. There are no legal implications within this report.

11.2. Implications verified/completed by: Adesuwa Omoregie, Principal Solicitor, tel. 020 8753 2297.

12. FINANCIAL IMPLICATIONS

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

12.2. Implications verified/completed by: Gary Ironmonger, Finance Manager, tel. 0208 753 2109.

13. IMPLICATIONS FOR BUSINESS

13.1. There are no direct implications for local businesses.

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

14. COMMERCIAL IMPLICATIONS

14.1. There are no immediate commercial implications in this report.

14.2. Implications verified/completed by: Joanna Angelides on behalf of Simon Davis, tel: 020 7361 2586.

15. IT IMPLICATIONS

15.1. There are no IT implications contained within this report.

15.2. Completed by: Veronica Barella, Chief Information Officer, tel 020 8753 2927.

16. RISK MANAGEMENT

16.1. The Council operates in an increasing risk environment of reduced council funding and austerity measures imposed by national government, increasing financial pressures due to cost inflation and demographic pressures. The Council has monitored this corporate risk though the year and has adopted as one of its key priorities to be ruthlessly financially efficient so as to continue to achieve the best service for our residents from council staff and contractors in line with our corporate risk to meet our communities ongoing needs and expectations. There is a risk that pressures will continue to provide a challenge in 2018/19.

16.2. Implications verified by: Michael Sloniowski, Risk Manager, tel. 0208 753 2587.

17. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

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

LIST OF APPENDICES

Appendix 1 Departmental Analysis – General Fund 2017/18 Revenue Outturn

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

Appendix 2 Earmarked Reserves

Appendix 3 Provisions

APPENDIX 1:

DEPARTMENTAL ANALYSIS – GENERAL FUND 2017/18 REVENUE OUTTURN

ADULT SOCIAL CARE (ASC)

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Integrated Care	45,541	102	<p>The main variances are:</p> <p>Better Care Fund savings shortfall of £185,000. Within the base budget is an MTFS efficiency of £2m following previous negotiations with Health over the Better Care Fund. The efficiency target had various target measures to deliver savings by the avoidance of care in placements, savings in jointly commissioned contracts and securing lower prices. The department delivered efficiencies in residential and nursing placements which resulted in a reduction in placements spend of (£1,815,000).</p> <p>Minor underspend of (£24,000) on Home Care and Direct Payments. There is an improvement in the position of (£114,000) since the month 9 forecast with the review of high cost packages in a safe & sustainable level reducing the overall costs. Throughout the year the total spend has increased compared with the previous year due to 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 Home Care and Direct payment rates increased due to the London living wage increases which resulted in</p>

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
			<p>additional pressures.</p> <p>Mental Health Services outturn position of £447,000 overspend. The outturn position improved by (£235,000) since month 9 forecast due to management actions in reviewing placements leading to a reduction in costs. This service continued to have increasing number of placements with the full year effect of new people and increases above inflation leading to budget pressures of £264,000. In Mental Health, Home Care and Direct Payment pressures amounted to £183,000 overspend.</p> <p>Learning Disability (LD) services outturn position of (£638,000) underspend. The underspend improved by (£210,000) since the month 9 forecast due to continued management actions from the reviews leading to reduction of cost of care in LD packages and placement. The placement budget underspent by (£356,000) mainly to the continued review of the high cost placements, the supported living service underspent by (£209,000) and there was a net underspend on the Home Care / Direct Payment budgets of (£73,000) with an overall reduction of 14 service users by year end.</p> <p>In – House services overspent by £131,000. The outturn position reflected the continued to be demand pressures in Careline to fund a 24/7 service.</p>
Strategic Commissioning & Enterprise	6,022	42	

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Finance & Resources	8,338	(15)	
Executive Directorate	566	(105)	Underspend against Workforce & Development service within the Directorate and Executive Support Division.
Total	60,467	24	

CENTRALLY MANAGED BUDGETS
Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Corporate & Democratic Core	4,081	(237)	There was an underspend on Banking Charges of £216k due to the corrections of banking charges from 2015/16. This included the recognition that some of these charges were related to parking operations.
Housing Benefits and other Corporate Items	12,644	(266)	The variance on Housing Benefits payments is due to continued high performance in collecting outstanding Housing Benefits overpayments.
Levies	1,571	(36)	
Net Cost of Borrowing	32	613	The unfavourable variance on Net Cost of Borrowing is due to the low level of interest rates. These continue to be below historic levels and the increases towards normalisation were slower than anticipated.
Pensions & Redundancy	11,615	(111)	A favourable variance of £111k on the cost unfunded pensions created because of historic redundancy decisions.
Sub -Total	29,943	(37)	
Contingency	1,880	(1,880)	Unused Contingency Budgets
Total	31,823	(1,917)	

CHILDREN'S SERVICES DEPARTMENT (CHS)

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Family Services	28,418	1,407	<p>The overspend is a combination of Looked After Children/Leaving Care Placement and Staffing overspends. An increase in more complex higher cost cases were placed during the latter part of the year. The forecast was ratified by a detailed line by line financial review to validate all placement lines which identified some process improvement issues which are being put in train in 2018/19.</p> <p>The final year end variance for placements was offset by higher than expected grant income and a placements underspend in fostering and adoption.</p> <p>There are staffing pressures in the Family Support and Child protection service due to an increase in activity and caseloads resulting in a need to recruit additional agency workers to cover unallocated cases. Staffing pressures are also evident in the Contact and Assessment service.</p>
Education	7,699	1,441	<p>The main variances are:</p> <ul style="list-style-type: none"> • Staffing overspends £592k (Asset strategy £52k, Moving On SLT costs £31k, Disabilities £60k and SEND £449k). • Short breaks placements, including The Haven £372k. • SEN transport £100k and recoupment shortfall £202k. • Traded income targets fell short of £150k. • Other minor variances £25k.

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Commissioning	5,081	620	Staffing overspend due to use of interims and supernumerary staff delivering department wide projects which were outside of the Commissioning baseline capacity. Additionally, there was a baseline budget pressure because of the 2016 restructure.
Safeguarding, Review and Quality Assurance	1,757	(26)	
Finance and Resources	5,842	(221)	Staffing pressures budget held in Finance & Resources and partially mitigating pressures across the service. Will be dispersed across the department in 2018/19 as part of a post level budgeting exercise to ensure 2018/19 budgets reflect 'Moving On' agreed structures.
Schools Funding	8,409	0	
Total	57,206	3,221	

CONTROLLED PARKING ACCOUNT (CPA)

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Pay & Display (P&D)	(12,145)	(2,093)	The Council has seen increased receipts from the roll-out of cashless phone parking. The number of people using phone parking has continued to increase significantly since the roll out commenced October 2016 and was completed in February 2018. The take up of phone parking is now more than 80% . Of the remaining income coming from the new pay and display machines, 71% is by card. This has led to a reduction of cash receipts and the risk of theft on-street.
Permits	(4,496)	(87)	
Penalty Charge Notices (PCNs)	(14,386)	(543)	Better income recovery of PCN debt during the first half of this financial year has increased income. This is a one-off occurrence in this financial year due to the successful clearing of a backlog of registering cases and warrants from the previous year due to IT problems with the Traffic Enforcement Centre (TEC) which must approve council applications for registration of debt and issuance of warrants. Following a major recruitment exercise during the summer 2017, 11 Civil Enforcement Officers were recruited to return the service to a full establishment (58 FTEs).
Parking Bay Suspensions	(3,223)	898	The number of Parking Suspension requests has significantly dropped this year. Outside factors dictate this such as property development levels, house moves, utility works etc.
Towaways and Removals	(325)	56	

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
Expenditure and Other Receipts	12,064	1,126	<p>There have been significant additional costs of approximately £900K arising from the roll out of phone parking. These include contract costs, maintenance, and credit/debit card processing costs. Cash collection expenditure rose due to the delay in procurement of the pay and display machine replacement project.</p> <p>There was an additional spend of £112K on staff under section S113 from Royal Borough of Kensington and Chelsea for work on the pay and display machine replacement procurement and implementation. This was originally to be charged to the appropriate capital fund but was ultimately charged to revenue.</p>
Total	(22,511)	(643)	

CORPORATE SERVICES

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
H&F Direct	15,782	(27)	
Human Resources & Electoral Services	1,396	(143)	Underspends relating to employee costs.
Finance & Audit	238	(89)	
Delivery & Value	2,037	62	
Executive Services	523	(61)	
Commercial Director	465	468	£379k undelivered income against target for external business intelligence work/ sales (budget £633k, outturn £254k); £89k other overspends.
Legal Services	(437)	304	Under recovery of income on the trading account.
ICT Services	160	(96)	
Public Service Reform	10	134	Unfunded staffing costs incurred in advance of the formal establishment of the new department from 1 April 2018.
Total	20,173	552	

ENVIRONMENTAL SERVICES (ES)

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Transport and Highways,	14,652	320	£203k - unachievable savings targets £120k - lower than anticipated staffing costs recharged to projects
Parks & Leisure	4,607	(51)	
Environmental Health, Community Safety & Emergency Planning	7,440	(151)	£115k - New commercial income targets for deployable CCTV (£100k) and Professional Witnesses (£15k) not delivered. (£241k) Registrars salary underspend (£117k) due to staff retention difficulties and recruitment delays (caused by delays in regrading posts) and Registrars income overachievement (£124k). This is not expected to continue given the planned refurbishment of Hammersmith Town Hall and the uncertainty this is causing for future bookings. (£25k) – other smaller net variances.
Cleaner, Greener & Cultural Services	9,145	(94)	£100k - New commercial income target for Parks and Markets Events not delivered £149k - Forecast shortfall on filming income partly due to the delay in the opening of the Location Library – shortfall against new savings target. (£387k) - Forecast underspend on waste disposal due to continuation of reduced rate for processing recycling.
Other LBHF Commercial Services	(223)	106	£135k – Income shortfall on the non-guaranteed income element of the ducting contract. (£36k) – Business Improvement staffing underspend due to posts held vacant, pending review of service.

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
Executive Support and Finance	1,322	(97)	
ES Managed Sub-Total	36,943	33	
Waste and Street Enforcement (Corporate Services – Commercial Director managed)	11,711	(32)	
Building and Property Management (Corporate Services – Commercial Director managed)	(1,767)	366	<p>£1,114k - Shortfall in advertising hoarding income on the Two Towers, L'Oréal and Benworth sites and unachievable income target on new sites, Lyric Square and Fulham Palace Road, which did not proceed.</p> <p>£106k - Unachievable Building Control income due to the current economic environment.</p> <p>£84k - Unachievable rental income on Galena Road site and repairs liability for Lyric Theatre.</p> <p>(£290k) - Civic Accommodation. Although there was a shortfall in rental income on Lila Hussett, the effect was more than offset by an NNDR refund for Fulham Town Hall and Hammersmith Town Hall.</p> <p>(£311k) - Underspend on Total Facilities Management contractor's costs.</p> <p>(£364k) - Mainly underspends from Valuation Services on Laser energy rebates, staff recharges and underspends on contractors' costs.</p>
ES Total	46,887	367	

HOUSING & REGENERATION - GENERAL FUND

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Housing Solutions	5,984	(32)	<p><u>Temporary Accommodation</u></p> <p>Temporary accommodation pressures have been offset by the Flexible Homelessness Support Grant as detailed below.</p> <p>Inflationary pressure on temporary accommodation (TA) rents from private landlords has resulted in an over spend of £1,217k. This is comprised of:</p> <ul style="list-style-type: none"> • £261k 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 (£143k of the £261k). This overspend has been reduced in recent months because of mitigating action taken 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 has also been an increase in average client numbers, from a budget of 782 units to an outturn of 939 (930 at CRM 10), that has resulted in an over spend of £496k.</p> <p>The impact of the loss of the management fee has resulted in an over spend of £1,934k, although this is offset in this year by the grant received below.</p>

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
			<p>There is an underspend of (£107k) (reduced from £232k overspend in CRM10 mostly because of the application of Discretionary Housing Benefit) on the bad debt provision despite continuing pressures on income collection resulting from the implementation of Universal Credit.</p> <p>Incentive payments to private sector landlords have exceeded the budget by £103k. Major landlords have threatened to withdraw their homes from us within a month 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.</p> <p>Flexible Homelessness Support Grant provided by CLG (£3.417m) to cushion the impact of the removal of the management fee for Temporary Accommodation (after deducting £110,000 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, reducing in 18/19 to (£3.381m) and further reducing in 19/20 to (£2.805m) so there is a risk of budget pressure in these years and even more so immediately thereafter.</p> <p><u>Bed and Breakfast</u> Increases in Bed and Breakfast accommodation net costs due to continuing increasing</p>

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
			<p>inflationary pressures on rents has resulted in an adverse variance of £61k.</p> <p>Higher average client numbers (165 at outturn vs 134 in the budget) has resulted in an adverse variance of £49k. The overspend on the bad debt provision is £110k (£92k at CRM 10). This is due to continuing pressures on income collection due to the implementation of Universal Credit.</p> <p>Other</p> <p>Repair costs on PSL properties have exceeded the budget by £140k, and legal costs relating to disrepair and complex cases have overspent by £120k.</p> <p>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 of (£53k).</p> <p>Vacancies on TA procurement team resulted in an underspend of (£58k) as did lower than expected Rent Deposit Scheme Damage Claim (£14k).</p> <p>In addition, a number of grants from Government have produced additional income this year (£381k). Also, funds received from the developer to contribute to decant costs associated with the sale of Lavender Court have produced a favourable variance (£234k).</p>
Housing Strategy	396	0	
Economic Development,	1,454	22	

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Learning & Skills			
Development & Regeneration	92	0	
Housing Services	988	(14)	
Planning	2,409	0	<p>Development Management - A shortfall in planning fee income of £329k has been partially offset by reductions in staff costs of (£126k). In addition, there are overspends on supplies and services £141k, as well as, £105k on legal costs.</p> <p>Planning Regeneration - Higher than budgeted staffing costs of £255k are offset by additional planning fee income of (£598k). In addition, the division has overspent by £80k on non-staff running costs and legal costs.</p> <p>Planning Director's Office – the (£117k) variance relates primarily to the vacant Director of Planning role.</p> <p>Policy – this relates to underspends on staffing (£26k) and legal costs (£43k).</p>
Finance & Resources	601	7	
Total	11,924	(17)	

LIBRARIES & ARCHIVES (SHARED SERVICE)

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Shared Service - Libraries & Archives	2,843	13	None to report
Total	2,843	13	

PUBLIC HEALTH

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Public Health Grant Income	(22,338)	0	N/A
Sexual Health	5,554	248	Increased demand for sexual health screening tests resulted in overspend.
Substance Misuse	4,570	(958)	Performance incentives were not triggered in core contracts due to decreased service demand. Additional funding for demand-risk were also not required in year.
Behaviour Change	2,411	(187)	Health Trainers contract ended in-year, leading to a contract saving.
Intelligence and Social Determinants	33	(6)	N/A
Families and Children's Services	6,215	(88)	N/A
Public Health Investment Fund	4,162	(75)	N/A
Salaries and Overheads	1,208	520	Increased recharges from support services and increased use of agency staff prior to restructure.
Contribution to or from (-) Public Health balances	(1,811)	546	Use of prior years' grant receipts in advance which is ringfenced for use on Public Health expenditure.
Total	0	0	

APPENDIX 2: EARMARKED RESERVES

		Balance at 31 March 2017	Transfers Out 2017/18	Transfers In 2017/18	Movement Between Reserves 2017/18	Balance at 31 March 2018
		£000	£000	£000	£000	£000
	General Fund					
1	Insurance Fund	(6,342)	665	(635)	-	(6,312)
2	Controlled Parking Fund	(1,054)	228	(521)	-	(1,347)
3	Computer Replacement Fund	(1,182)	-	-	1,182	-
4	IT Infrastructure	(2,388)	-	(800)	3,188	-
5	Efficiency Projects Reserve	(15,749)	-	(3,785)	1,897	(17,637)
6	Corporate Demand Pressures	(7,531)	571	-	(4,516)	(11,476)
7	Dilapidations/Office Moves	(3,327)	552	(138)	2,913	-
8	Housing Benefit	(2,248)	-	-	2,248	-
9	Planning Inquiries	-	-	-	-	-
10	LPFA Sub Fund	(1,272)	-	(128)	-	(1,400)
11	Imperial Wharf	-	-	-	-	-
12	Temporary Accommodation	(3,506)	582	(286)	-	(3,210)
13	ASC Pressures & Demands	(1,878)	-	-	-	(1,878)
14	Human Resources Reserve	(920)	-	-	920	-
15	Capital Reserves	(1,946)	1,010	-	-	(936)
16	Supporting People Programme	(1,509)	300	-	-	(1,209)
17	CHS Shared Service Integration	-	-	-	-	-
18	MTFS Delivery Risk	(5,625)	-	-	5,470	(155)
19	Legal Fees Reserve	-	-	-	-	-
20	VAT Reserve	(2,500)	-	-	2,500	-
21	Business Board Reserve	(1,080)	-	-	1,080	-
22	TFM Reserve	(853)	500	(1,153)	-	(1,506)
23	3SIF Grant Reserve	(1,008)	280	-	8	(720)
24	Troubled Families	(817)	-	(258)	-	(1,075)
25	NDR Deficit Support	(3,208)	-	(5,255)	3,209	(5,254)
26	Stock Options Appraisal	(1,009)	-	-	1,009	-
27	Partners in Practice	(852)	-	(695)	-	(1,547)
28	Redundancy Reserves	(3,747)	-	-	3,747	-
29	King Street West	(516)	154	-	(994)	(1,356)
30	Managed Services	(279)	2,714	(3,891)	(7,835)	(9,291)
31	Corporate People Reserve	-	364	-	(4,000)	(3,636)
32	Corporate Technology & IT	-	-	-	(6,950)	(6,950)
33	Corporate Financial Resilience Reserve	-	-	-	(3,000)	(3,000)


		Balance at 31 March 2017	Transfers Out 2017/18	Transfers In 2017/18	Movement Between Reserves 2017/18	Balance at 31 March 2018
		£000	£000	£000	£000	£000
34	Corporate Property Reserve	-	280	-	(4,076)	(3,796)
35	Other Funds	(6,234)	404	(860)	1,675	(5,015)
	General Fund Reserves	(78,580)	8,604	(18,405)	(324)	(88,705)
	General Fund Revenue Grants					
36	S106 - Revenue Schemes	(3,784)	606	(2,158)	-	(5,336)
37	Other Revenue Grants	(622)	-	(655)	324	(953)
	Revenue Grants Sub-Total	(4,406)	606	(2,813)	324	(6,289)
	General Fund Total	(82,986)	9,210	(21,218)	-	(94,994)
	HRA Reserves					
38	HRA Efficiency Reserve	(500)	-	-	(792)	(1,292)
39	HRA Non-dwellings Impairment Reserve	(7,262)	-	72	-	(7,190)
40	HRA Strategic Regeneration and Housing Development	(4,208)	1,197	(3,402)	-	(6,413)
41	HRA Utilities Reserve	(9,382)	-	(1,368)	-	(10,750)
42	Welfare Reform Reserve	(1,500)	-	-	-	(1,500)
43	Parking Charges Review Reserve	(606)	-	-	-	(606)
44	Fire Safety Plus	-	-	(12,845)	-	(12,845)
45	Other HRA Funds	(1,867)	125	(118)	792	(1,068)
	HRA Sub-Total	(25,325)	1,322	(17,661)	-	(41,664)
	Total	(108,311)	10,532	(38,879)	-	(136,658)

APPENDIX 3: PROVISIONS

	Insurance £000	Non-Domestic Rates (NDR) - Losses on Appeals £000	Other Provisions⁸ £000	Total £000
Balance at 31 March 2017	(2,656)	(4,717)	(0,747)	(8,120)
Additional provisions		(12,259)	(226)	(12,485)
Amounts used		9,892		
Unused amounts reversed	626			
Balance at 31 March 2018	(2,030)	(7,084)	(964)	(10,078)

⁸ Other Provisions of £0.964m are to cover Housing Revenue Account legal fees, disrepair cases and disputed capital works, school meals contract pension liability and Sen transport litigation

Agenda Item 8

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>9 JULY 2018</p>	
<p>PROCUREMENT OF SELF-SERVICE & ASSOCIATED SOFTWARE</p>	
<p>Report of the Cabinet Member for Finance and Commercial Services: Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Consultation Integrated Management Systems Programme Board</p>	
<p>Wards Affected: None</p>	
<p>Accountable Director: Nicholas Austin, Director of Residents' Services</p>	
<p>Report Author: Maria Ellis, Contact Channel Improvements Programme Manager, Customer Services</p>	<p>Contact Details: Tel: 07971053865 E-mail: maria.ellis@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The Council is aiming to improve the use of digital technology to make it easier and quicker for residents to get what they need from the Council, while maintaining traditional contact channels for those that prefer them.
- 1.2. The Cabinet on 15 January 2018 took the decision in relation to the "Integrated Management Systems Procurement Strategy and Business Case" report to carry out a regulated procurement exercise in relation to four (4) distinct but integrated lots covering software and systems for;
 - (Lot 1) a self-service portal;
 - (Lot 2) housing management;
 - (Lot 3) Revenues and Benefits;

(Lot 4) electronic document management (EDMS) in accordance with the Public Contracts Regulations 2015 (as amended) (the “Regulations”).

- 1.3. The original proposal was to advertise all four lots as a single procurement exercise using the Competitive Dialogue Procedure. For reasons outlined in the report, Lot 1, relating to the procurement of the Self Service solution was agreed to be undertaken ahead of the other three lots. Bringing forward the procurement was agreed by the Lead Member for Finance as a Cabinet Member Decision report in February 2018.
- 1.4. The total value of the contract over the seven year period is: £1,400,000.
- 1.5. Bringing forward the procurement will allow:
 - Replacement of the current solution and provision of an enhanced digital solution.
 - The contract for the current solution which runs out in October 2018 to be replaced without the need for extension of the existing contract.
 - Alignment with the Streetscene Self Service procurement enabling a more efficient approach and faster process by merging both procurements, saving resources and budget while introducing more efficiencies across both services.
 - A corporate approach to the need for an electronic form solution that will support the Contact Channel Improvements programme as well as enable channel shift to deliver savings.
- 1.6. The implementation of Lot 1, the Self Service solution has been defined in phases to ensure delivery:
 - 1.6.1. Phase One - Key Milestone One: Implementation of the system and replacement of the current solution high priority integrated processes by 31st October 2018.
 - 1.6.2. Phase Two - Key Milestone Two: Implementation of the system for the Streetscene service area and other current solution priority processes by 31st March 2019.
 - 1.6.3. Phase Three-Key Milestone Three: implementation of the system for any remaining processes in the current solution by 30th September 2019.
 - 1.6.4. In future the Self Service solution will act as the platform to enable channel shift in other service areas ('optional services') to be defined under the Contact Channel Improvements programme subject to full business cases and decision papers.
- 1.7. The bringing forward of the Self Service procurement will result in the award of contract in July/August. As no cabinet meeting will be in place then and the procurement will still be in progress for the July Cabinet, the contract award needs to be delegated to meet the implementation timetable. A high-level view of the implementation timetable for Lot 1 is in Appendix 1. Lot 2, 3 and 4 will implementation timelines will be available once the requirements are fully established.

2. RECOMMENDATIONS

- 2.1. To approve the divergence from the Integrated Management Systems Procurement Strategy and Business Case approved by it in January 2018 to permit separate tendering of Lot 1, use of the restricted procedure and adoption of the award criteria referred to in paragraph 5.2 below.
- 2.2. To delegate authority to award the contract to the Director of Residents' Services, in consultation with the Cabinet Member for Finance and Commercial Services.
- 2.3. To approve the implementation of the Self Service solution in respect of the planned phases to replace the current solution and provide an enhanced digital platform.
- 2.4. Following completion of the implementation phases to enable rollout of the Self Service digital platform to other service areas at the discretion of the Council. These "optional services" will be defined under the Contact Channel Improvements programme and will be subject to full business cases and further decision papers.
- 2.5. Additional areas of Authority Services that may use the self service solution during the Contract term include without limitation:
 - Revenues and Benefits (where not covered by Phase one or Phase 2)
 - Environmental Services
 - Parking
 - Housing
 - Adult Social Care
 - Children's
 - Human Resources

3. REASONS FOR DECISION

- 3.1. The Council is aiming to improve the use of digital technology to make it easier and quicker for residents to get what they need from the Council, while maintaining traditional contact channels for those that prefer them.
- 3.2. It has been agreed to bring forward the procurement of the self-service solution for an earlier implementation to deliver better services to residents and environmental improvements that are a priority for the Council.
- 3.3. The current solution is an enabling piece of software that sits on the Council's website providing an important way people can access the Council's services, for example: reporting issues such as graffiti, abandoned vehicles, dumped rubbish, dog fouling, noise pollution and trading standards issues. It also facilitates secure viewing of council tax and checking details of existing housing or council tax benefit/support claims.

- 3.4. The current solution needs to be replaced due to the end of contract by October 2018 and deliver additional benefits that were not identified in the original project, but which have now been recognised as a priority for the Council relating to Environmental Enforcement.
- 3.5. Street Scene officers currently use a system that does not provide detailed, real time, updates to residents who log incidents. This creates the impression that the issue is not being dealt with efficiently. It also has no geo-location settings which means that if an issue is reported with a poor description or unclear photo, officers can struggle to accurately identify the location of the reported problem.
- 3.6. The enforcement team have a number of challenges in the daily delivery of their service as a result of technological barriers. At present officers have no access to any real-time data or information from residents remotely. This limits time spent on the street as they must report back to office in order to collect new information.
- 3.7. Securing a platform that would push data back to residents and provide better quality updates would improve the experience for residents and reduce the number of repeated incident reports.
- 3.8. The current procurement timeline requires the contract award to occur during August when Cabinet will not be in session, hence a delegated authority is required to ensure the procurement meets the required time frame and will allow implementation to start in August. The total value of the contract over the seven year period is: £1,400,000.
- 3.9. The implementation of the Self Service solution has been defined in phases to ensure delivery:
 - 3.9.1. Phase One - Key Milestone One: Implementation of the system and replacement of the current solution high priority integrated processes by 31st October 2018.
 - 3.9.2. Phase Two - Key Milestone Two: Implementation of the system for the Streetscene service area and other current solution priority processes by 31st March 2019.
 - 3.9.3. Phase Three-Key Milestone Three: implementation of the system for any remaining processes in the current solution by 30th September 2019.
 - 3.9.4. The implementation timeline is in Appendix 1.
- 3.10. In future the Self Service solution will act as the platform to enable channel shift in other service areas ('optional services') to be defined under the Contact Channel Improvements programme subject to full business cases and decision papers at the absolute discretion of the Council during the contract term.

4. PROPOSAL AND ISSUES

- 4.1. This paper seeks approval for the contract award decision to the Director of Residents' Services in consultation with the Cabinet member for Finance and Commercial Services. This will allow timescales to be met.
- 4.2. This paper also seeks recognition for the divergence from the previous Integrated Management Systems Procurement Strategy and Business Case to permit Lot 1 Self Service to stand alone.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. By procuring the Self Service solution ahead of the other 3 lots it is no longer appropriate to use the Competitive Dialogue Procedure for this procurement as outlined in the Procurement Strategy of 15th January 2018. The soft-market testing exercise undertaken in 2017 identified a number of providers that are capable supplying suitable solutions. On that basis the only options available to the Council are to either use the Open or Restricted procedures.
- 5.2. The Open Procedure should not be used where a significant number of suppliers are known to exist and the number of expressions of interest in a contract need to be reduced to a manageable level. Under these circumstances the Restricted Procedure should be followed.
- 5.3. The bringing forward of Self Service was agreed as set out in the Cabinet Member Decision report of 23 February 2018. Due to the new timescale the contract award needs to be delegated to ensure the October 2018 replacement date of the current solution can be met.

6. CONSULTATION

- 6.1. The work leading to the development of this paper has involved the Integrated Management Systems Programme Board which includes Growth and Place, Residents' Services, Procurement, and IT Services.

7. EQUALITY IMPLICATIONS

- 7.1. It is not anticipated that there will be any negative impact on groups with protected characteristics, under the terms of the Equalities Act 2010, from delegating authority for the letting of this contract.
- 7.2. As the programme progresses an Equality Impact Assessment will be completed if required.
- 7.3. *Implications verified/completed by Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206.*

8. LEGAL IMPLICATIONS

- 8.1. The total value of the contract to be let is above the service value threshold specified in the Public Contracts Act 2015 (as amended) (the “Regulations”). The Council will publish a Contract Notice in the Official Journal of the European Union (OJEU) stating the process it will follow for the tenders. The restrictive procedure will be followed.
- 8.2. The Council’s Contract Standing Orders are being followed. The intention is to invite 5 tenderers to bid for the contract following a pre-qualification stage, subject to there being sufficient qualifying tenderers.
- 8.3. Tenders will be evaluated on the basis of the most economically advantageous tenderer to the Council. Evaluation methodology has been agreed by the project team and will be applied to all tenders received. The evaluation considers:
 - 8.3.1. quality aspects of the solutions which include mandatory and desirable elements as well as overarching method statements. Tier 2 weighting has been attributed to the sub-criteria. The total weighting attributed to quality is 60%.
 - 8.3.2. Price which comprises the total cost of implementation, training and ancillary costs together with the ongoing maintenance and support costs for the 5 year contract period. The weighting attributed to Price is 40%.
- 8.4. Key risks associated with the procurement relate to:
 - 8.4.1. Bringing the solution into service on time. Delay payments have been attributed to any such delays;
 - 8.4.2. Downtime for the solution once up and running. Deductions/service credits will be applied in the event of downtime which is not preagreed.
 - 8.4.3. Security breaches and data loss – the Supplier will be a processor under the Data Protection Legislation.

Implications verified/completed by: Sally Stock, partner with Sharpe Pritchard Solicitors on secondment to the Council sstock@sharpepritchard.co.uk

9. FINANCIAL IMPLICATIONS

- 9.1. It is anticipated that the future offering will not only provide a more effective service but also deliver savings to the Council.
- 9.2. The award of contract and the associated financial implications will be subject to delegated approval arrangements.
- 9.3. *Implications verified/completed by: Danielle Wragg, Finance Business Partner, 0208 753 4287.*

10. COMMERCIAL IMPLICATIONS

- 10.1. The Self Service procurement exercise is being undertaken as a restricted procedure. The estimated value of the project is over the statutory threshold for services, currently set at £181,302. A Contract Notice has been sent for publication in Tenders Electronics Daily (TED) on 4th of May 2018.
- 10.2. The procurement exercise will follow the Public Contracts Regulations (PCR) 2015 and the Contracts Standing Orders (CSOs).
- 10.3. *Implications verified/completed by: Andra Ulianov, Procurement Consultant, 0208 753 2284.*

11. IT IMPLICATIONS

- 11.1. IT Services has been involved in confirming corporate requirements for the procurement to ensure the new solution can integrate into the council's IT strategy.
- 11.2. The procurement procedure will require that all solutions proposed conform to government and council regulations and requirements, such as the forthcoming General Data Protection Act (GDPR).
- 11.3. *Implications completed by: Veronica Barella Chief Information Officer, tel. 020 8753 2927.*

12. RISK MANAGEMENT

- 12.1. The current solution is an enabling piece of software that sits on the Council's website providing access to services including but not limited to; Reporting and track issues such as graffiti, abandoned vehicles, dumped rubbish, dog fouling, noise pollution and trading standards issues. It also facilitates secure viewing of council tax details, and is used by our citizens to advise us if they are moving in/out /within the borough or wish to set up or amend a direct debit or apply for sole occupier discount. Other facilities are available including checking details of existing housing or council tax benefit/support claims, Parking and Highways permits. Access to the housing register can be also be done via the current solution, it is therefore an important way people can access the Council's Services.
- 12.2. There is a risk arising from the timescale by which the Council will need to replace the current solution, by October 2018. Should the Council undertake the procurement then this risk would be successfully mitigated and continuity of service risk would be avoided in line with the Council's approach to manage Corporate risk, number 5 on the Corporate Risk Register. Additionally, continuation of the existing contract comes at a cost to the Council, aligning the procurement for replacement of the current software with Streetscene would reduce procurement cost and may result in other benefits (efficiencies) arising from a single approach. A programme risk log is in place. The

procurement is being conducted through a restricted process and is judged low risk.

12.3. *Implications verified/completed by: Michael Sloniowski, Risk Manager, telephone 020 8753 2587.*

13. IMPLICATIONS FOR BUSINESS

13.1. Procurement will be via an OJEU restricted tender process and open to any relevant local businesses. However, given the complexity, special nature and size of the service sought, the likely bidders are expected to be national and/or global companies.

13.2. The proposed platform will proactively encourage appropriate channel shift and local businesses could benefit from a more accessible and efficient service.

13.3. The proposal also incorporates a social inclusion strategy to ensure the service meets effectively the needs of various users.

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

14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None.

LIST OF APPENDICES:

Appendix 1 - Self Service Procurement Timetable

Appendix 1

Self Service Procurement Timetable (as issued at Supplier Questionnaire (SQ) stage on 4th May 2018)

Stage	
OJEU (Official Journal of the European Union) Notice and issue of SQ and all tender documentation in draft format	4 th May 2018
SQ Return date	4 th June 2018
Evaluation and shortlist	4 th to 8 th June 2018
ITT (Invitation to Tender) issued	11 th June 2018
Tender return date	9 th July 2018
Evaluation	9 th July to 13 th July
Internal approval process	16 th July to 20 th July
Letters issued with results by no later than followed by a 10 day standstill period	23 rd July 2018
Award and enter into the contract not until the end of the 10 day standstill period. The contract must be entered into at the same time.	Contacts to be signed w/c 13 th August 2018
Implementation Start Date	20 th August 2018
Phase One - Key Milestone One: Implementation of the system and replacement of the current solution integrated processes	Approximately 31 st October 2018-exact date subject to the solution
Phase Two - Key Milestone Two: implementation of the system for the Streetscene service area and other current solution priority processes	Approximately 31 st March 2019-exact date subject to the solution
Phase Three-Key Milestone Three: implementation of the system for any remaining processes	Approximately 30 th September 2019-exact date subject to the solution


Future 'Optional Services' include additional service areas that the Self Service solution could be rolled out to during the Contract term at the discretion of the Council. These have not been included in the planned implementation phases but suppliers have been asked to provide outline costs to enable future proofing of the enhanced digital solution.

Work to define the rollout and potential channel shift opportunities will be defined under the Contact Channel Improvements programme following initial rollout of the solution in the planned implementation phases above. Delivery of optional services will be subject to additional business cases and decision papers.

Additional services to be determined in order of priority (but not exhaustive)

Revenues and Benefits (not covered by planned Phases)

Environmental Services **Adult Social Care**
Parking **Children's Services** **Human Resources**

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">9 JULY 2018</p>	
<p>APPROPRIATION OF WATERMEADOW COURT AND EDITH SUMMERSKILL HOUSE</p>	
<p>Report of the Cabinet Member for the Economy and the Arts – Councillor Andrew Jones</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Consultation:</p>	
<p>Wards Affected: Fulham Broadway and Sands End</p>	
<p>Accountable Director: Jo Rowlands, Strategic Director, Growth and Place</p>	
<p>Report Author: Matt Rumble, Head of Area Regeneration</p>	<p>Contact Details: Tel: 07786747488 E-mail: matt.rumble@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

1.1. In order for the redevelopment of Watermeadow Court and Edith Summerskill House to proceed it is necessary to appropriate the two sites from Housing to Planning purposes. This will allow the Council to utilise powers to override third party rights which may prevent the implementation of the proposed development at each site.

1.2. The appropriation of these sites will allow the delivery of:

- 133 new genuinely affordable homes at Edith Summerskill, 80% of which will be social rent with the remainder let as sub-market intermediate rent;
- 36 new genuinely affordable homes at Watermeadow Court, 27 of which will be social rent with the remainder let as sub-market intermediate rent, or sold as low-cost home ownership.

- 1.3. Cabinet is therefore being requested to approve the appropriation of the sites subject to the Secretary of State granting consent to the appropriation.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1. Resolves that the areas of land at Watermeadow Court and Edith Summerskill House referred to in this report and shown edged red on the plans at appendix 1 are no longer required for the purpose for which they are currently held (housing purposes).
- 2.2. Approves the appropriation of these areas of land to the planning purposes of facilitating redevelopment for residential and other uses pursuant to section 122 of the Local Government Act 1972.
- 2.3. Authorises the Strategic Director, Growth and Place, to apply to the Secretary of State for consent to the appropriation pursuant to Section 19(2) Housing Act 1985.
- 2.4. In the event that the consent of the Secretary of State is given authorises the use of powers to override easements and other rights in respect of the land pursuant to section 203 of the Housing and Planning Act 2016.
- 2.5. Approves to vire £30,000 to create a specific budget for this work from the unused contingency budget for Edith Summerskill House, approved by amended Cabinet Member Decision in Feb 2017, following original Cabinet approval dated 08/02/16 in relation to the Joint Venture vehicle.
- 2.6. Approve the movement in the Capital Financing Requirement of up to £3.8m from the Housing Revenue Account to the General Fund for Edith Summerskill House, and to note that this will result in an additional budget requirement in the General Fund from 2019/20 of £123,000 to fund the associated Minimum Revenue Provision.

3. REASONS FOR DECISION

- 3.1. The key reasons for this decision are:
 - There are considerable public benefits associated with the redevelopment of Watermeadow Court and Edith Summerskill House. These include:
 - Increasing the supply of genuinely affordable housing;
 - Providing local economic investment, including job and training opportunities;
 - Improving the public realm; and

- Providing a financial contribution to community infrastructure.
- There is a need to appropriate the two sites from housing to planning purposes in order to engage the provisions of section 203 of the Housing and Planning Act 2016 so as to override third party rights the existence of which would otherwise prevent the implementation of the proposed development at each site.

4. PROPOSAL AND ISSUES

Background and Current Development Proposals

- 4.1. Cabinet on 3 February 2014 resolved to appoint Stanhope as its private sector development partner in respect of the establishment of a Housing and Regeneration Joint Venture (HFS Developments LLP) to develop two Sites known as Watermeadow Court (“**WMC**”) and Edith Summerskill House (“**ESH**”). In 2016 the Housing and Regeneration Joint Venture entity was changed to HFS Developments 2 Limited (“**Joint Venture**”). This entity is the applicant for planning permission for both WMC and ESH.
- 4.2. WMC is located in South Fulham in close proximity to the River Thames. The site measures 0.48 hectares (1.20 Acres) and currently comprises 80 vacant residential units in a complex of predominantly 3/4 storey blocks. Prior to achieving vacant possession, the tenure mix was 62 Council tenants and 18 leaseholder occupiers (who had acquired their flats through right to buy). These leasehold interests have all been successfully acquired by private treaty. The buildings were constructed in the 1980s and hold little architectural value or interest. The buildings are not listed but are situated within the Sands End Conservation Area. Cabinet approval was given in 2010 to dispose of the WMC site for residential redevelopment. Consent for demolition of the buildings was granted in June 2017.
- 4.3. ESH is an 18 storey tower block which formerly provided 68 homes as part of a wider housing estate. Prior to achieving vacant possession, the tenure mix was 61 Council tenants and 7 leaseholder occupiers (who had acquired their flats through right to buy). ESH was vacated in 2011 to enable Decent Homes improvements to be made. Due to the anticipated cost and practicality of making these improvements the decision was made in 2011 to dispose of the site. The Council calculated in 2011 that works to ESH under the Decent Homes programme would cost an estimated £6m which equated to £88,235 per dwelling. The approximate site area is circa 0.1 ha which includes part of the land at the side and front elevations of the block. The buildings are not listed and are not within a conservation area.
- 4.4. The Council owns the freehold to both WMC and ESH. The Council and the Joint Venture have entered into separate sale agreements for each of WMC and ESH.

- 4.5. Once the conditions in each land sale agreement have been satisfied then the Council will, at the direction of the Joint Venture, transfer the relevant site to a SPV LLP (“**SPV**”) whose members are the Joint Venture, Stanhope and a third party funder. The SPV will procure the development of the sites (which in the case of ESH may be via a Registered Provider) and on completion will sell the completed homes.
- 4.6. The detailed proposals for the development are as follows:-
- At WMC: Erection of 218 (Class C3) residential units comprising 182 private market units, 9 intermediate rent and 27 social rented across three buildings up to a maximum of approximately 22,661 sqm (GEA). Block A to comprise five storeys plus plant rising to approximately 22.82m AOD; Block B to comprise seven storeys (plus plant) rising to a height of approximately 29.42m AOD; Block C to comprise 9 storeys (plus plant) rising to a height of approximately 36.90 AOD; shared single storey basement with car parking; private open space; hard and soft landscaping; preparatory and associated works. A commuted sum of £6 million towards the delivery of affordable housing at ESH is also offered. (“**the WMC Development**”); and
 - At ESH: Erection of a 20 storey tower (plus plant) with single storey basement and ground floor mezzanine at a maximum height of approximately 80.27m AOD, comprising of 133 residential (Class C3) units all of which are affordable units, 105 social rented and 28 intermediate rent up to a maximum of approximately 16,262 m2 (GEA); ancillary community use at ground floor level; hard and soft landscaping and associated works (“**the ESH Development**”).

The Need for Appropriation – Overview

- 4.7. There is a need to appropriate the two sites from housing to planning purposes in order to override third party rights, the existence of which would otherwise prevent the implementation of the proposed development at each site.
- 4.8. Section 122 of the Local Government Act 1972 provides a power to the Council to appropriate land from one purpose to another. This purpose can be any purpose for which the Council is authorised to acquire land by agreement. However, the appropriation of land pursuant to this provision does not result in the overriding of third party rights. This is facilitated by the powers set out in Section 203 of the Housing and Planning Act 2016 (“**section 203**”). This, so far as relevant to the facts of this case, provides that building or maintenance work/use which interferes with rights or breaches restrictions as to user is authorised if:
- planning consent exists for the building works or use;

- the work is carried out on land that has been appropriated by the Council for planning purposes after 13th July 2016
 - the land could be compulsorily acquired by the Council for the purposes of the building works or maintenance/use of buildings or works constructed; and
 - the building work or maintenance/use is for purposes related to the purposes for which the land was acquired or appropriated.
- 4.9. In terms of process, case law has established that appropriation must involve more than a mere decision to hold land for a different purpose. The Council must consider whether the land is no longer needed in the public interest of the locality for the purpose for which it is held. As the purpose of the acquisition is to engage the provisions of section 203 of the 2016 Act the Council should not make the appropriation unless it has good reason to think that that interference with the rights affected is necessary.
- 4.10. Case law has also established that appropriation is the equivalent of compulsory purchase of the Council's own land and the same degree of necessity must apply in each case.
- 4.11. In practice, section 203 means that any beneficiaries of third party rights that are interfered with as a result of the carrying out of the development cannot prevent the development from proceeding by seeking an injunction from the courts, and as a result the development proposed can proceed. However, those with the benefit of the rights that are interfered with will be entitled to compensation which will be calculated on the basis of the diminution in value of their land.
- 4.12. As explained below, third party rights have been identified which, without engaging the provisions of section 203, would prevent the WMC and ESH Developments from proceeding. Accordingly, the purpose of this report is to seek a resolution to appropriate both WMC and ESH to planning purposes so that the third party interests can be overridden, allowing the developments to proceed.

The need for appropriation - WMC

- 4.13. The rights that have been identified in respect of **WMC** which would be interfered with should the development proceed are rights to light and a 1989 restrictive covenant limiting the use of the site to 'local authority community housing'.
- 4.14. In the course of preparation for development certain properties have been identified which are likely to benefit from a right of light over WMC, or which are in the process of acquiring such a right. Analysis by the Joint Venture shows that a number of the properties identified are likely to experience an alteration in light following completion of the WMC Development. Where rights of light currently exist owners of interests in the relevant properties could seek

an injunction restraining the WMC Development to prevent interference with their rights of light.

- 4.15. The Council resolved in November 2008 to declare the WMC site as surplus to the purposes for which the land was being held pursuant to Part II of the Housing Act 1985. Subsequently, on 12 November 2012 the Council resolved pursuant to s122 of the Local Government Act 1972 to appropriate WMC for planning purposes in order to permit section 237 of the Town and Country Planning Act 1990 (the predecessor to section 203) to be relied on so as to override the restrictive covenant. The Secretary of State's consent was also required pursuant to s19 of the Housing Act 1985 to permit an appropriation for planning purposes. The Secretary of State's consent was subsequently given on 18 December 2012. On 31 March 2013, WMC was transferred to the Council's general assets register to be held for planning purposes.
- 4.16. Having sought legal advice, officers of the Council have accepted that the purported appropriation in November 2012 was not effective and does not give the Joint Venture sufficient certainty that section 237 of the Town and Country Planning Act 1990 (and now section 203) can be relied upon to override third party interests that would otherwise prevent the WMC Development from proceeding.
- 4.17. Should Cabinet approve the appropriation, the Secretary of State's consent to the appropriation of WMC will be required pursuant to Section 19(2) of the Housing Act 1985 because the consequence of the ineffective appropriation is that the land continues to be held for housing purposes.

The need for appropriation - ESH

- 4.18. In the case of **ESH**, a deed dating back to 1866 has been identified which imposed restrictions on the development of the estate. The potential beneficiaries of the restrictive covenants are unknown and it is not possible to identify all of those who may be able to enforce the covenants. In addition, there is a risk that private rights of way may have been established over time which could interfere with the proposed ESH Development.
- 4.19. In the course of preparation for development certain properties have been identified which are likely to benefit from a right of light over ESH. Analysis by the Joint Venture shows that a number of the properties identified are likely to experience an alteration in light following completion of the ESH Development. Owners of interests in the relevant properties could seek an injunction restraining the ESH Development to prevent interference with their rights of light.
- 4.20. No appropriation has taken place for **ESH**, but it has been declared by the Council as surplus to requirements.
- 4.21. Should Cabinet approve the appropriation of ESH to planning purposes, the Secretary of State's consent to the appropriation of ESH will be required pursuant to Section 19(2) of the Housing Act 1985.

Why the land is no longer needed for its current purpose – WMC.

- 4.22. To appropriate the land, it must be considered to be “no longer required for the purpose for which it is held immediately before the appropriation”.
- 4.23. In the case of WMC the land is no longer required for its existing social housing purpose
- 4.24. Prior to the purported appropriation of WMC in 2012, the site was held by the Council for housing purposes in accordance with Part II of the Housing Act 1985. There are a number of reasons why the site is no longer considered to be suitable for its existing social housing use. These include the following:-

(a) Poor space standards

- A study was carried out in 2002 which considered the benefits of conversion of the existing housing blocks on the WMC estate as opposed to its demolition and subsequent new build. The conclusions of the study were that the properties had poor space standards including inadequate food preparation areas, circulation space and a lack of storage.
- Room sizes were poor when measured against the development plan policies that were relevant at the time and compared unfavourably in comparison to equivalent housing association accommodation. The table below shows how the existing units compare with the London Design Guide, and with the standards of local registered providers:

Unit size	WATERMEADOW COURT (sqm.)	Peabody Trust (sq.m.)	NHHT (sq.m.)	London Design Guide
4 bed -5/6 person	82.68	92-97	92-97	90
3 bed/5 person	56.74	85	105	86
3 bed/4 person	56.84	73	-	74
2 bed/3 Person	41.34	62	72	61
1 bed/2 person	41.34	48	66	50

- The Council is committed to building new homes that meet the space standards in the London Plan, which reflect the London Design Guide standards referred to above. The existing units at WMC fall well below current standards.

(b) Poor condition of the existing buildings/anti-social behaviour problems

- Following the departure of the authorised occupants of the buildings at WMC, squatters were able to gain access and remained in occupation for some time. Damage was caused and internal walls were knocked down within the largest block in WMC which has affected the structural integrity of the building and created a serious health and safety problem.
- The squatters lit fires on the concrete floors inside the building and as a result it was deemed necessary to remove roof panels from the derelict buildings in order to allow water and the natural elements to penetrate the buildings and mitigate against the risk of the squatters starting more fires.
- Works were also carried out to remove every window, door and glass panel and block openings to prevent entry to the buildings and to remove all sanitary fittings from every property and fill all the drains and pipe work with concrete to ensure that squatters could not reconnect the plumbing and have running water or usable bathrooms.
- The timber structures in the roof of the buildings have subsequently been damaged from rain water over the last 6 years, as have the internal walls.
- With the changes made to the building to deter squatters, the condition of each building is now considered beyond repair and the Council has obtained planning permission to demolish the buildings.
- The cost of refurbishing and remodelling the properties was estimated at £8.5m in 2008. If the properties were refurbished in their current condition, the internal walls would need to be reconfigured as they do not meet the current space standards. In addition, all roof and timber structures would need to be replaced.
- As WMC has been in a poor state of repair since 2008, a number of complaints have been received from local residents about the appearance of the buildings and grounds. The dereliction has resulted in continuing amenity problems and is perceived as a blight on the community. Fly tipping and antisocial activities occur on the estate on a regular basis, which also draws complaints from the community, due to the easy access to large secluded areas at the back of the buildings that are hidden from Townmead Road and Watermeadow Lane.
- The site has also been the subject of unauthorised occupation by travellers which has resulted in further amenity problems including leaving a large amount of refuse and tipped material after they were

moved on. If the site remains undeveloped there is the risk of further unauthorised occupation, fly tipping and antisocial behaviour.

(c) Ineffective use of the site

- The existing site arrangement at WMC does not equate to an effective use of space. The existing density of 166 units per hectare is below the upper limit guideline of the London Plan for an area of this urban context and location which is 170 u/ha. Initial feasibility design and discussions with the local planning authority suggest that the site has the potential to achieve a significant uplift in density if a high quality design approach is adopted. The emerging proposals, at a density of approx. 456 u/ha, far better optimises the potential of the site to deliver much needed housing in London and is more comparable to densities being achieved on other high quality new developments in the area.
- In addition, the current buildings do not make a positive contribution to the character and appearance of Sands End Conservation Area in which the site is situated. The new scheme seeks to address this with a careful and considered urban design approach that seeks to deliver a high quality scheme in terms of the buildings themselves, the open space around them and their integration into the surrounding neighbourhood. The WMC Development proposals seek to enhance the surroundings and deliver an exemplar development.
- The Public Transport Accessibility Level (PTAL) rating for the site is 3 representing a medium public transport accessibility level. The site is able to accommodate a reasonable amount of parking provision, both surface and basement provision. In turn, this will provide a more attractive residential offer to private occupiers, and will increase the choice and quality of accommodation in the borough. In contrast, the Council considers that affordable housing provision is better located at ESH, given its better access to local facilities and public transport.
- The design flexibility that a predominantly market housing scheme offers will allow the WMC site to secure the delivery of a significant number of affordable homes within the Borough through the Council's Joint Venture. The commuted payment will not only enable the Council to provide a greater number of affordable homes overall but also ensure that the type and size of units better address priority needs in the borough and make for a more balanced community.

Why the land is no longer needed for its current purpose – ESH

- 4.25. In the case of ESH the land is also no longer required for its existing social housing purpose because of its poor state of repair and failure to meet modern space and design standards.

- 4.26. A survey was carried out in 2009 to examine the condition of the building. The survey revealed serious structural problems, including extensive water penetration, which would require significant investment to rectify.
- 4.27. A further study undertaken in 2013 identified the presence of asbestos throughout the building. It was recommended that due to the health and safety risk that all the asbestos in the building be removed.
- 4.28. The building is of limited architectural merit.
- 4.29. A viability assessment was undertaken to decide on how best to redevelop ESH for the provision of new housing. The options reviewed were to refurbish the existing building or demolish and redevelop.
- 4.30. The conclusion that the site should be redeveloped was made on the basis that:
- The existing building is unable to meet modern design standards
 - The existing arrangement doesn't make for best use of the site
 - Redevelopment of the site offers greater financial and socio-economic benefits to the council and has the ability to provide more genuinely affordable homes
- 4.31. The building is currently in the process of being demolished.
- 4.32. For the reasons set out above, it is clear to officers that WMC and ESH are no longer needed for their current purposes pursuant to Part II of the Housing Act 1985.

Planning purposes and public benefits - overview

- 4.33. The next section of the report considers the case for appropriating the WMC and ESH sites to planning purposes.
- 4.34. As indicated above, an appropriation for planning purposes is a reference to the appropriation of it for purposes for which it can be acquired under sections 226 or 227 of the Town and Country Planning Act 1990 (**TCPA**). In this case it is necessary to consider whether the land would be capable of being acquired under section 226 of the TCPA.
- 4.35. Section 226 empowers a local authority, on being authorised to do so by the Secretary of State, to acquire compulsorily land its area,
- If the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land (section 226(1)(a)); or

- which is required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which that land is situated (Section 226(1)(b)).
- 4.36. In this case it is appropriate to consider whether the land could be acquired compulsorily under the powers conferred by section 226(1)(a)., Section 226(1A) of the Town and Country Planning Act 1990 provides that a local authority must not exercise its power of compulsory acquisition under section 226(1)(a), unless it thinks that the development, redevelopment or improvement is likely to contribute to the achievement of any one or more of the following objectives:
- the promotion or improvement of the economic well-being of the area;
 - the promotion or improvement of the social well-being of the area; and
 - the promotion or improvement of the environmental well-being of the area.
- 4.37. It is the view of officers, supported by legal advice, that the WMC and ESH could be acquired compulsorily under section 226(1)(a) in order to facilitate the carrying out of redevelopment and that such redevelopment would advance all three objectives identified at Section 226(1A).
- 4.38. As, subject to satisfying the relevant requirements, the effect of appropriation would be to engage the override provisions of section 203 of the 2016 Act it is necessary to consider whether the facilitation of the development would justify an interference with the rights of third parties. In making that decision regard should be had to the advice and guidance contained in the current MHCLG Guidance on Compulsory Purchase (October 2015). Fundamentally, the decision to appropriate in order to engage section 203 of the Housing and Planning Act 2016 should only be made where it is necessary, there is a compelling case in the public interest and the Council should be sure that the purposes for which the powers are being exercised justify interfering with the human rights of those whose interests will be affected. Particular consideration should be given to the provisions of Article 8 and Article 1 of the First Protocol to the European Convention on Human Rights and this is considered below.
- 4.39. Turning to the planning policy support for the WMC and ESH Developments, for the purposes of s38(6) of the Planning and Compulsory Purchase Act 2004 the Statutory Development Plan for the area in which both sites are situated comprises (1) the London Plan 2016 and (2) the Hammersmith and Fulham Local Plan 2018.
- 4.40. Strategic planning guidance within the London Plan sets demanding housing targets for all London Boroughs. The Council is set an annual target of delivering approximately 1,000 new homes every year for the next 10 years.

- 4.41. In terms of affordable housing, London Plan policy identifies a requirement that Boroughs seek to maximise the provision of affordable housing in new developments and that 60% of all affordable housing should be affordable or social rent and 40% intermediate housing. The Local Plan requires that 50% of all new housing, on developments of 11 or more units, is affordable and that 60% of this is affordable/social rent consistent with the London Plan target.
- 4.42. The London Plan is supportive of market housing schemes that generate a combination of a commuted sum as well as on-site affordable housing provision on sites where this secures a higher provision of affordable housing overall for the Borough, better addresses priority needs especially for families and secures a more balanced community.
- 4.43. The Hammersmith and Fulham Local Plan was adopted in February 2018:
- The **WMC** site falls within South Fulham Riverside Regeneration Area. This is one of five regeneration areas across the borough which are identified as the main drivers and providers of much needed new housing and jobs. Strategic Policy SFRRRA sets out the vision for the regeneration of the South Fulham Riverside area. It promotes residential-led redevelopment and the need to optimise all housing sites. It seeks to deliver 4,000 additional dwellings by 2035 and 500 jobs in this part of the borough.
 - Although the **ESH** site is not located in one of the borough's regeneration areas the redevelopment meets the commitment to provide new housing built to meet higher design standards, energy efficiency and accessibility. The proposal better utilises the site for new affordable housing close to Fulham town centre. The proposed improvements to the local amenity space as part of the redevelopment will also have a positive impact on local area.
- 4.44. There is particular policy emphasis in the development plan to bring vacant and underused sites back into use and the Local Plan Strategic Policy SFRRRA continues these themes. This policy, together with Local Plan housing and design policies, also highlights the need for high quality urban design and enhancing the public realm. The highest standards of urban design will be sought which respond to the setting and context of their surroundings while encouraging developers to be imaginative and innovative. The aim is to create a coherent and integrated place with its own character and identity.
- 4.45. The London Strategic Housing Land Availability Assessment identifies the potential of the WMC to accommodate at least 120 units. This is an increase of 40 units compared with the existing development which represents a 50% increase in residential units. The current WMC Development proposals are for 218 units, an additional increase of a further 133 units.

- 4.46. The Council's housing strategy "Delivering the Change We Need in Housing" approved by Cabinet on 11th May 2015 sets out Hammersmith & Fulham's vision for the delivery of new affordable housing in the Borough. The strategy emphasises the Council's desire to deliver an increased number of better, well-managed affordable housing in mixed income, mixed tenure successful places. This Strategy centres on the real contribution that housing can make to deliver that vision, providing the catalyst for the borough's regeneration opportunities. Delivering these opportunities will create better places to live; more housing choice; more local employment and training opportunities; improved transport infrastructure; better education opportunities; and better housing and management services for residents.
- 4.47. It can be seen therefore that there is extensive planning policy support for both of the WMC and ESH Developments. In addition, planning applications have been made in respect of both developments, with the current position as follows:
- **ESH:** The Council's planning committee resolved to grant planning permission (ref: 2017/01849/FU), on 10th October 2017. A separate planning permission (ref: 2017/02100/FUL) for the creation of a parking layby and associated works was granted on 27th September 2017.
 - **WMC:** The Council's planning committee resolved to grant planning permission (ref: 2017/01841/FUL) on 10th October 2017. The subsequent changes proposed to WMC identified above will be presented to the Council's planning committee on 10 July 2018.
- 4.48. Officers have considered whether the WMC and ESH Developments could be blocked by any physical or legal impediments to implementation. Whilst planning permission has yet to be obtained for the WMC and ESH Developments, (and will be subject to separate and distinct consideration by the Council acting as local planning authority), at this stage officers are of the view that there are no obvious reasons why it might be withheld.
- 4.49. Cabinet should note that the Joint Venture is contractually committed to ensuring that the ESH and WMC Developments can be delivered once planning permission has been obtained and the appropriation has taken place.

Public benefits - WMC

- 4.50. It is expected that the delivery of the redevelopment proposals at WMC will secure social, economic and environmental well-being benefits for the Council's area, including the following:

- improvements to the quality and range of housing available in the area;
- provision of 36 affordable housing units (27 social rented and 9 intermediate rent)
- the replacement of accommodation of sub-standard space standards in WMC with new homes to be constructed to Lifetime Homes standards;
- wheelchair accessible homes;
- the redevelopment of a poor quality building in a conservation area;
- the remediation of a contaminated, brownfield site;
- it will address problems of anti-social behaviour, including the problems associated with squatting;
- high quality design and enhancements to the public realm;
- consequential beneficial impacts for local shops and businesses close to the new developments;
- New construction jobs (164 net jobs per annum over the 42-month construction and demolition period) and 14 apprenticeships, with 15% of the construction workforce to be taken from local residents, and 10% of building contracts to be let to businesses in the borough;
- potential investment in infrastructure and public transport as a result of Community Infrastructure Levy payments in respect of the development.

Public Benefits – ESH

4.51. It is expected that the delivery of the redevelopment proposals at ESH will secure social, economic and environmental well-being benefits for the Council's area, including the following:

- Provision of 133 affordable housing units (80% social rented and 20% intermediate);
- The redevelopment of a vacant site following demolition of the existing building;
- Creating a landmark exemplar scheme that will enhance strategic and local views and the setting of the adjacent conservation area;

- Enhancing the setting of designated heritage assets in the wider area;
- Creation of an ancillary community hall for use by the residents of the building and the wider estate;
- Improved engagement of the building with the public realm;
- Potential significant enhancements to offsite public realm and play-space;
- Off-site high quality landscaping
- Potential investment in infrastructure and public transport as a result of Community Infrastructure Levy payments in respect of the development.

Steps taken to negotiate the release of rights by agreement

4.52. Before making a decision on the appropriation it is necessary to take reasonable steps to ascertain who may have a property right or interest that may be affected by the development proposals. With this in mind, reasonable enquiries were undertaken including land registry title searches, and in respect of Council-owned properties, checking the Council's tenancy details to ascertain those whose rights may be interfered with as a result of the WMC and ESH Developments and any third parties with possible interests affecting the land were contacted to ascertain whether they would agree to their rights being released to allow the WMC and ESH Developments to proceed.

4.53. In relation to WMC:

- Potential beneficiaries of the 1989 restrictive covenant, including lessees, were identified;
- GIA consultants on behalf of the Joint Venture identified parties who may benefit from rights to light that could be infringed by the WMC Development;
- Letters were sent by the Council to over 120 parties on December 8 2016 including the occupiers of residential units within the tower blocks of Ferrymans Quay, Sailmakers Quay and Watermans Court, inviting parties to voluntarily release their rights in respect of the restrictive covenant and/or the rights to light as appropriate;
- Feedback was received only from a limited number of affected parties (8) which raised concerns including: overlooking from the proposed WMC Development and the associated impact on privacy and rights to light. A number of parties expressed their unwillingness to negotiate releases of rights.

- The Council sent further letters to the same 120 parties on 21 April 2017 indicating its intention to appropriate WMC to planning purposes and inviting responses, to which only 5 responses were received, again raising similar concerns.
- In addition, potential beneficiaries have been informed by a press notice dated 11th August 2017. The deadline for responding to this was the 12th September 2017 and no substantive representations were received.
- Where appropriate, (for example where there appears to have been a misunderstanding, where clarification has been sought on the effects on rights to light or where there has been a specific request) the Council and/or the Joint Venture has offered to meet with the parties to discuss the potential impacts and the terms being offered for the release of rights.
- At the date of writing, two parties have indicated a willingness to release the restrictive covenant. One of the potential rights to light beneficiaries has agreed to release their rights.
- GIA are now in correspondence with parties in all affected properties surrounding the WMC site.
- Although negotiations are continuing, given the response to date, it is the view of officers that it is highly unlikely that they will result in all necessary rights and interests being released within a reasonable time or at all.

4.54. In relation to ESH:

- It was not possible to identify potential beneficiaries of the restrictions in the 1866 deed or of private rights of way that may have been established, therefore a notice inviting parties with a potential interest in the land to contact the Council was erected on site in April 2017 giving a deadline of 17 May 2017 for a response.
- GIA consultants on behalf of the Joint Venture identified parties who may benefit from rights to light that could be infringed by the ESH Development;
- Letters were sent by the Council to all 19 identified parties who were identified by GIA as potentially benefiting from rights to light on 13th April 2017 inviting parties to voluntarily release their rights in respect of the rights to light and indicating its intention to appropriate ESH to planning purposes, inviting responses;

- Responses were received from 5 parties, raising concerns including: overlooking from the proposed ESH Development and the associated impact on privacy and rights to light. A number of parties expressly confirmed that they were unwilling to negotiate a release of their rights;
- Where appropriate, (as in the case of WMC, examples include where there appears to have been a misunderstanding, where clarification has been sought on the effects on rights to light or where there has been a specific request) the Council and/or the Joint Venture has offered to meet with the parties to discuss the potential impacts and the terms being offered for the release of rights;
- At the date of writing, one of the individual potential beneficiaries of third party rights has agreed to release their rights. GIA are in contact with four of the five freehold interests affected by the redevelopment of ESH. All of the affected properties have been surveyed, subsequently offers have been made to three parties.
- Although negotiations are continuing, given the response to date, it is the view of officers that it is highly unlikely that they will result in all necessary rights and interests being released within a reasonable time or at all.

4.55. It is therefore clear for both WMC and ESH that it is necessary to appropriate the land to secure the benefits associated with the proposed WMC and ESH Developments. It has not been possible to date to secure the voluntary release of the third party rights and, in the case of ESH, it is simply not possible to ascertain all those who may have the benefit of the 1866 restrictive covenant and/or private rights of way. As a result, officers are of the view that unless the land is appropriated for planning purposes in order to engage the override provisions of section 203 of the 2016 Act the redevelopment proposals of WMC and ESH will not go ahead.

Could the Public Benefits Be Achieved in the Absence of the Interference With the Rights?

4.56. Officers have considered whether the development could proceed without interfering the rights identified. Officers are satisfied that the development could not proceed and the associated benefits could not be achieved without giving rise to all or some of the infringements for which section 203 is being engaged. GIA have undertaken a cut back analysis to WMC to demonstrate how much of the proposed building would have to be removed in order not to cause any interference with the easement of light enjoyed by the surrounding property owners. This cut back demonstrates that, due to either the proximity of the surrounding properties, or the fact that some of the properties are residential in use (making them more sensitive), only a modest amount of massing would be able to be added to the existing building massing. The resultant building, based upon a cut back scenario, would not achieve the required massing to enable viable redevelopment of WMC. To conclude, any alternative approach to the development which seeks to avoid interference

with the rights would prevent a development which brought forward with a significant number of additional housing units and which achieved the public benefits described above from being realised.

Human Rights Issues

- 4.57. As indicated above, consideration must be given to the interference with rights protected by the Human Rights Act 1998. In this case a decision to override easements and other rights represents an interference with rights protected under Article 1 of the Protocol to the European Convention on Human Rights. (the right to peaceful enjoyment of possessions) and Article 8 of the European Convention on Human Rights (right to respect for private and family life, home and correspondence). Any decision to interfere with such rights must strike a fair balance between the public interest associated with the development proposals referred to above and the interference with private rights. Given the clear public benefit associated with the development proposals referred to in the body of the report, the fact that there is no feasible alternative means of achieving that public benefit, and a compelling case in the public interest for the use of the powers to override rights and the availability of compensation to those whose rights are overridden calculated on a diminution in value basis, it is considered that the interference with the private rights of those affected would be lawful, justified and proportionate.

Conclusions

- 4.58. Officers are satisfied that:
- WMC and ESH are no longer needed for their current purpose;
 - There is a compelling case in the public interest to appropriate the sites to planning purposes in order to engage the override provisions of section 203 of the 2016 Act and the necessity test is satisfied.
 - Any interference with the human rights of those who benefit from the rights to be overridden is justified and the use of section 203 represents a proportionate approach.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. Appropriation is the only viable option that will enable the redevelopment of WMC and ESH.

6. CONSULTATION

- 6.1. No additional consultation was required.

7. EQUALITY IMPLICATIONS

- 7.1. In deciding to proceed with the appropriation the Council must pay due regard to its Public Sector Equality Duty (PSED) as set out in section 149 of the Equality Act 2010.

7.2. In summary, the Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and those who do not;
- foster good relations between people who share a protected characteristic and those who do not.

7.3. The protected characteristics are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion/belief (including non-belief)
- Sex
- Sexual orientation

7.4. The table below provides analysis in respect of the key protected characteristics in relation to the development proposals:

Characteristic	Analysis	Impact (Positive, Neutral or Negative)
Age	<p>WMC: The majority of the new market homes will be one and two bedroom aimed at both younger families and single people as well as older people wishing to downsize. This approach compliments the existing profile of the borough and will help service demand.</p> <p>However private market units in a high value area could make it difficult for age groups that have traditionally shown a trend for low income to acquire a property.</p> <p>Having said this, 27 of the new homes are now to be social rent with tenants selected from the Council's housing register. The new homes will be one and two bedroom making them suitable for single</p>	Positive

	<p>people, couples and small families.</p> <p>9 of the new homes are to be for intermediate rent or sale aimed at first time buyers and individuals on low incomes. In general, applicants tend to be younger and one and two bedroom units are in increasing demand.</p> <p>ESH: 80% of the new homes are to be social rent with tenants selected from the Council's housing register. The new homes will be one and two bedroom making them suitable for single people, couples and small families.</p> <p>20% of the new homes are to be for intermediate rent aimed at individuals on low incomes but not on the Council's housing register. In general, applicants tend to be younger and one and two bedroom units are in increasing demand.</p> <p>The location has well established and convenient transport links.</p> <p>The building will have three lifts that will make it accessible to all age groups.</p> <p>The development proposals support the identified demand for affordable one and two bed units in the ward.</p>	Positive
Disability	<p>WMC: 10% of the new homes will be fully wheel chair compliant. The building's design meets all statutory requirements making it accessible</p> <p>ESH: 10% of the new homes will be fully wheel chair compliant. The remaining units will be life time home compliant making them fully adaptable if residents circumstances change. The building will have three lifts that will make it accessible to all age groups.</p>	Positive Positive
Race	WMC: it's not uncommon for ethnic minorities to be over-represented in	Positive/ Neutral

	<p>low income groups and the fact that the majority of the new homes at WMC are private market units may pose a barrier for members of this category to access the new housing.</p> <p>There are however 27 social rent units and 9 intermediate rent units which offer affordable accommodation.</p> <p>The major benefit in this instance is the regeneration of the area removing a major hub for antisocial behaviour and fly-tipping.</p> <p>A payment in lieu is also being paid to the local authority for the provision of affordable housing within the borough which will provide new affordable housing.</p> <p>ESH: As ESH is a 100% affordable scheme affordability will not be a barrier. The size of new homes will be greater than current space standards, built to a modern specification and user friendly.</p> <p>However, as some ethnic minority households have large families the new one and two bedroom homes will not be suitable.</p>	<p>Positive</p>
--	--	-----------------

- 7.5. The redevelopment of these derelict former housing sites to provide new modern homes will have a positive impact on all groups. The urban environment will be greatly improved strengthening communities and increasing investment in local businesses.
- 7.6. The construction of ESH and WMC will help create new jobs and investment in local labour and supply chains in line with the Council's procurement, diversity and inclusion policy commitments.
- 7.7. Implications verified by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. The legal powers available to the Council to appropriate land and override third party rights are identified and explained in paragraph [4] of the report.

- 8.2. Implications completed by: Michelle Moss, Partner, Eversheds Sutherland 0161 831 8000.
- 8.3. The Director of Law comments that external lawyers have been commissioned to advise on this. The Council is entitled to rely on their advice, in considering how to proceed.
- 8.4. Implications completed by David Walker, Principal Solicitor, tel. 020 7361 2211.

9. FINANCIAL IMPLICATIONS

Costs arising directly from this proposal

- 9.1. The up to £30k of direct costs that are expected to arise from this proposal will be covered by the recommendation in this report to vire £30k to create a specific budget for this expenditure from the existing approved housing capital budgets for Edith Summerskill House, as amended by the February 2017 Cabinet Member Decision, following the Cabinet approval dated 08/02/16 in relation to the Joint Venture vehicle.

The financial impact of appropriation on the Housing and General Fund Capital Financing requirements (CFR)

- 9.2. The recommendations in this report include a resolution that the areas of land at Watermeadow Court and Edith Summerskill House referred to in this report and shown edged red on the plans at appendix 1 are no longer required for the purpose for which they are currently held (housing purposes). This means the land is no longer held as housing land for accounting purposes.
- 9.3. Watermeadow Court is already held in the General Fund¹.
- 9.4. The appropriation of Edith Summerskill House for planning purposes transfers the property from the Housing Revenue Account (HRA) into the General Fund. It means that the General Fund effectively must 'pay' the HRA the certified market value for the site via an adjustment between the outstanding debt of the General Fund (as measured by the Capital Finance Requirement (CFR)) and that of the HRA.
- 9.5. This will result in an increase in the General Fund Capital Financing Requirement (the measure used for debt). No capital receipt is currently anticipated for the disposal of Edith Summerskill as it is being developed as a 100% affordable scheme.
- 9.6. The regulations regarding this transfer are open to interpretation and legal advice has been obtained as a precursor to instructing a valuation. The approach is being confirmed with our auditors. However, based on legal

¹ While strictly speaking in some uses the General Fund includes the HRA as a separate ring-fenced account in this report the term is used for items not accounted for within the HRA.

advice to date and on the valuation, the certified market value Edith Summerskill House is £3.8m. So £3.8m would transfer from the HRA CFR to the General Fund CFR as a result of this decision.

- 9.7. This will result in an additional ongoing annual revenue charge and therefore required growth of the general fund budget of £123k per year from 2019/20² onwards. As set out in the February 2016 Cabinet report on the joint venture, additional affordable housing will be provided as a result of these developments. This will result in cost avoidance in the General Fund temporary accommodation budgets of approximately £336k³ each year.
- 9.8. Legal advice has confirmed that no adjustment is needed on the historic valuation used for the Watermeadow Court transfer.

Risks if the project does not happen

- 9.9. In the event of these schemes not moving forward, the some of the capital spend to date⁴ would need to be written off to revenue. Currently these are:
- ESH pre-development: £1.97m
 - WMC Disposal Costs £280k

The ESH costs would be a charge to HRA revenue budgets but could be offset against the earmarked reserve for Regeneration Projects within which £1.97m is specifically allocated for the ESH risk. The WMC risk of £280k would be an additional pressure on General Fund. As set out in the February 2016 Cabinet report if the schemes didn't move forward we would also need to cover the costs incurred by the JV to date taking Watermeadow Court through to planning, these could be up to £4m.

- 9.10. 30% of Edith Summerskill expenditure was funded by Right to Buy (RtB) 1-4-1 receipts, and in the event of write off Council must return RtB funding to the CLG with interest.

Impact of any further delays on this project and other risks

- 9.11. Delays to the delivery of these projects would put additional pressure on quarterly requirement to using RTB receipts retained by the council and would potentially require repayment of RTB receipts to HMCLG with interest unless alternative.
- 9.12. The current capital programme assumes a capital receipt, in addition to the £6m commuted sum for affordable housing, from the disposal of

² Secretary of State consent will need to be requested after Cabinet approval so any appropriation would not happen until 2018/19. MRP rate for 2018/19 is 3.24%. No capital receipt is expected for Edith Summerskill House so the General Fund CFR adjustment will not reverse when the site is disposed of.

³ Based on the councils 2018/19 budgeted average net cost for temporary accommodation applied to 169 units.

⁴ Spend to date is as at 23rd May 2018, excludes demolition costs which would remain capitalisable

Watermeadow Court in 2019/20. Further delays, and changes to the scheme, will put the timing and amount of the receipt at risk. This will need to be taken account of within the future Capital Programme and Monitoring Reports.

- 9.13. Implications verified/completed by: Firas Al Sheikh, Head of Housing Investment & Strategy, tel. 0208 753 4790.

10. IMPLICATIONS FOR BUSINESS

- 10.1. The recommendations in this report will enable ESH and WMC to be redeveloped.
- 10.2. The associated construction activities we provide training and employment opportunities for local people and investment in local supply chains.
- 10.3. The economic development team is engaged in making sure residents benefit from the employment opportunities
- 10.4. Implications verified by: David Burns, Head of Housing Strategy, tel. 020 8753 6090.

11. COMMERCIAL IMPLICATIONS

- 11.1. It is proposed that the alternate use of the site to provide better housing in the area comprising both private units and social housing which will provide more efficient use of the land.
- 11.2. However, the proposal provides an additional 169 affordable units by appropriating the two sites.
- 11.3. While no capital receipt is anticipated for the affordable scheme resulting from the disposal of Edith Summerskill, the new affordable housing can save the Council money by reducing temporary accommodation costs.
- 11.4. Further public benefits are presented throughout the report.
- 11.5. Implications completed by: Andra Ulianov, Procurement Consultant, tel. 02 8753 2284.

12. IT IMPLICATIONS

- 12.1 There are no IT implications.
- 12.2 Implications: Veronica Barella, interim Chief Information Officer, tel. 020 8753 2927.

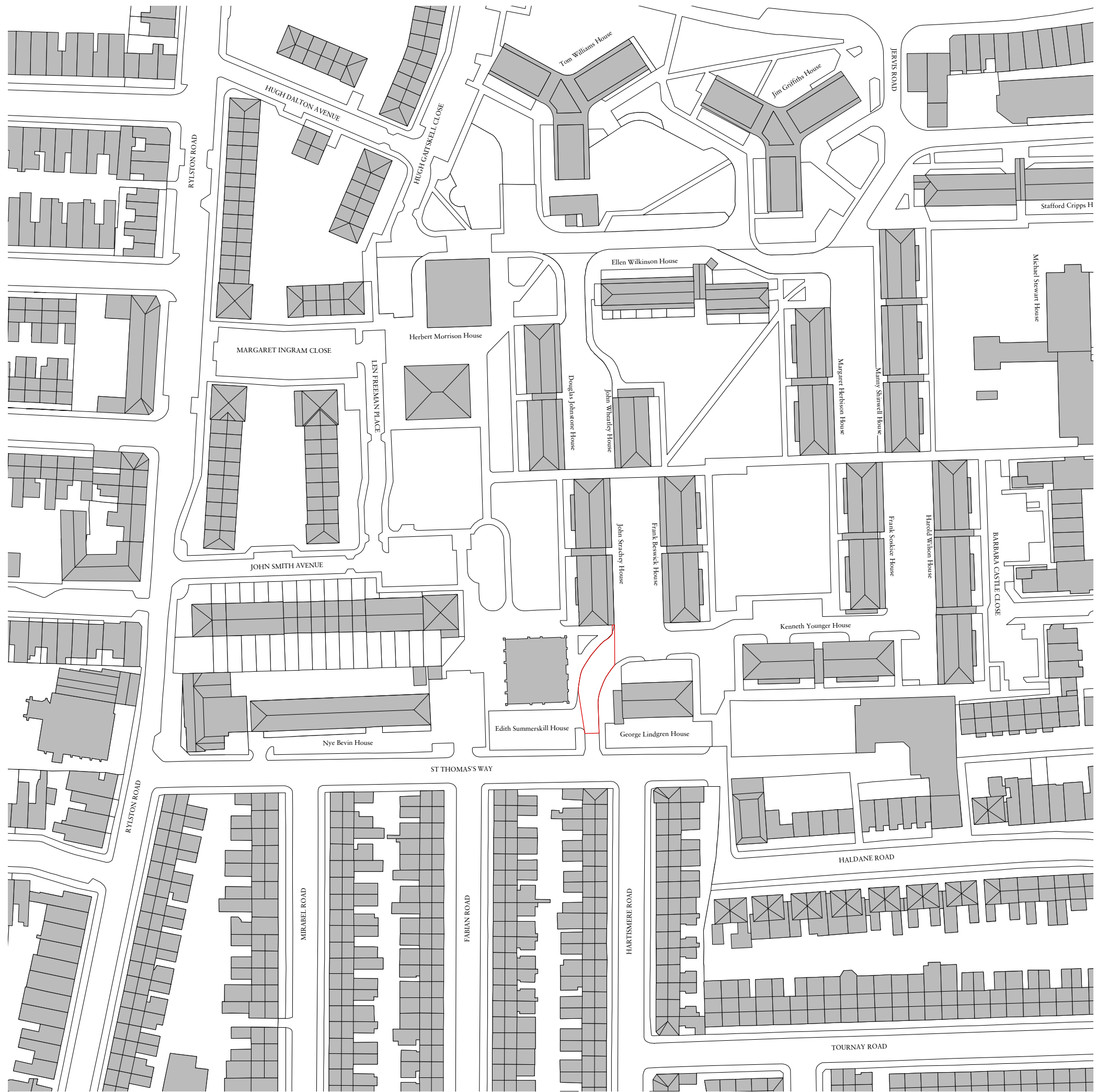
13. RISK MANAGEMENT

- 13.1 Officers should ensure that legal advice received in respect of seeking appropriation is followed to mitigate the risk that effective appropriation is not secured and the proposed developments cannot proceed.
- 13.2 Officers should ensure that the JV confirms the further actions they will put in place to mitigate challenges regarding potential rights (e.g. rights of light) from the owners of affected properties and should quantify the impact and cost of not reaching agreement in all cases.
- 13.3 The report identifies a number of financial risks relating the project either being delayed or not happening. Officers responsible for the project should continue to liaise closely with finance colleagues to monitor these risks so that appropriate mitigating action is taken in the event of risks materialising.
- 13.4 In conjunction with their external legal advisers, officers have identified the following risks which they will need to ensure are appropriately mitigated:
- In the event that the Council does approve the appropriation and the overriding of third party rights, the Council has taken Leading Counsel's advice to mitigate so far as possible the risk of any judicial review of the Council's actions
 - In the event that the Council does not approve the appropriation, there is a risk that this could lead to a breach of the Council's obligations under the land sale agreements referred to in paragraphs 4.4 and 4.5 above, and it is highly unlikely that the redevelopment of WMC and/or ESH will proceed, therefore prejudicing the Council's ability to meet its planning and housing objectives.
- 13.5 Implications verified/completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance, tel. 0207 361 2389.

14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT
None

List of Appendices:

Appendix 1 – site plans



- General notes**
1. Do not scale drawings. Dimensions govern.
 2. All dimensions are in millimeters unless noted otherwise.
 3. This drawing remains copyright of HHBR Ltd.
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Specific notes

Rev. Date	Reason for issue	Check

Key
 Site Boundary ————



Title
 Site Location Plan

Client
 HFS Developments LLP

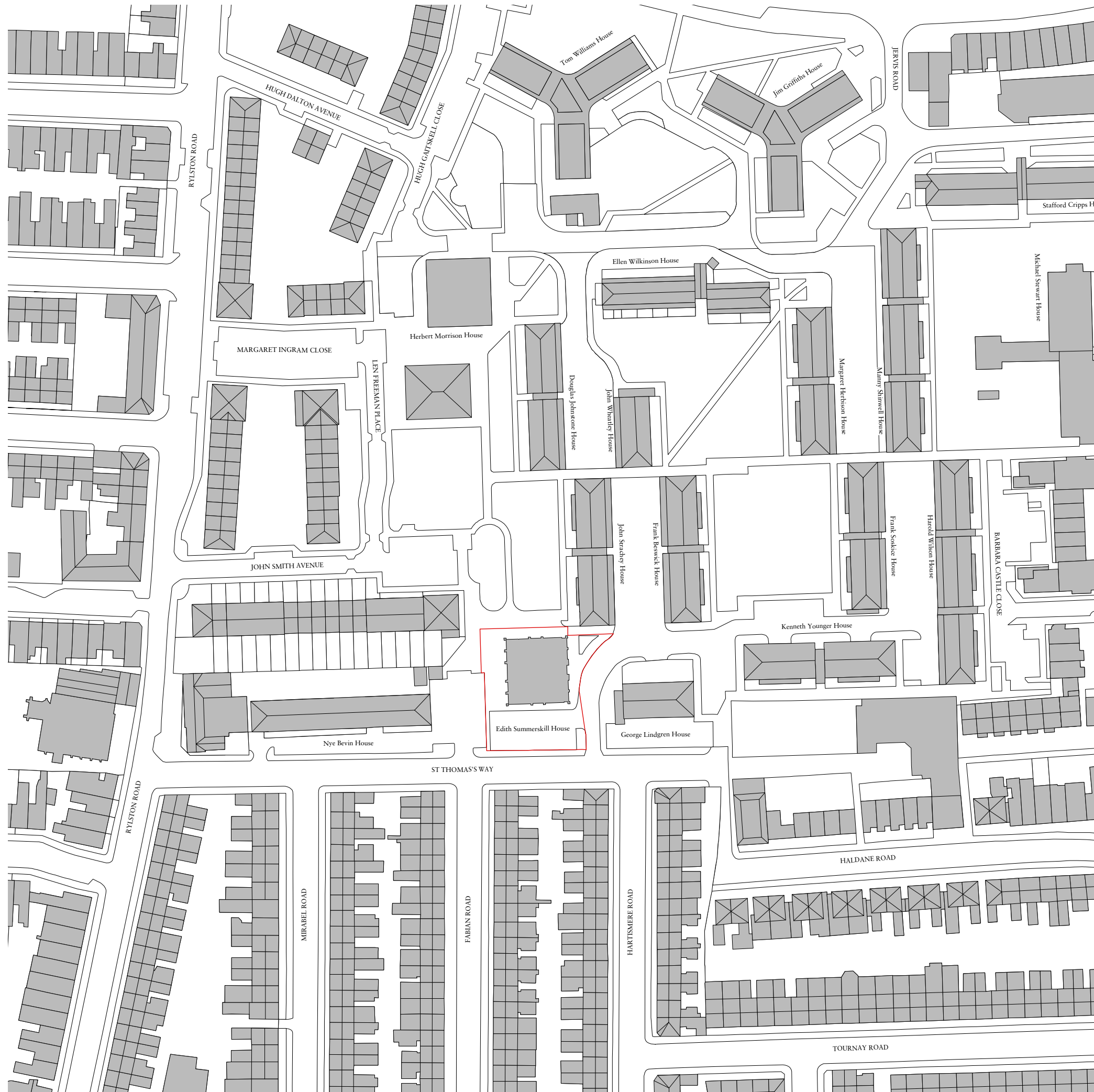
Project
 Edith Summerskill House

First Issued	Originator	@A3	@A1	Status
10.05.17	CL	1:1250	-	P

Drawing no.
 9_1307_P_002_P2

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Specific notes

A	28/3/17	Site Boundary		
Rev.	Date	Reason for issue	Check	

Key
 Site Boundary ———



Title
 Site Location Plan

Client
 HFS Developments LLP

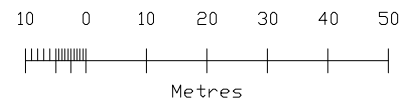
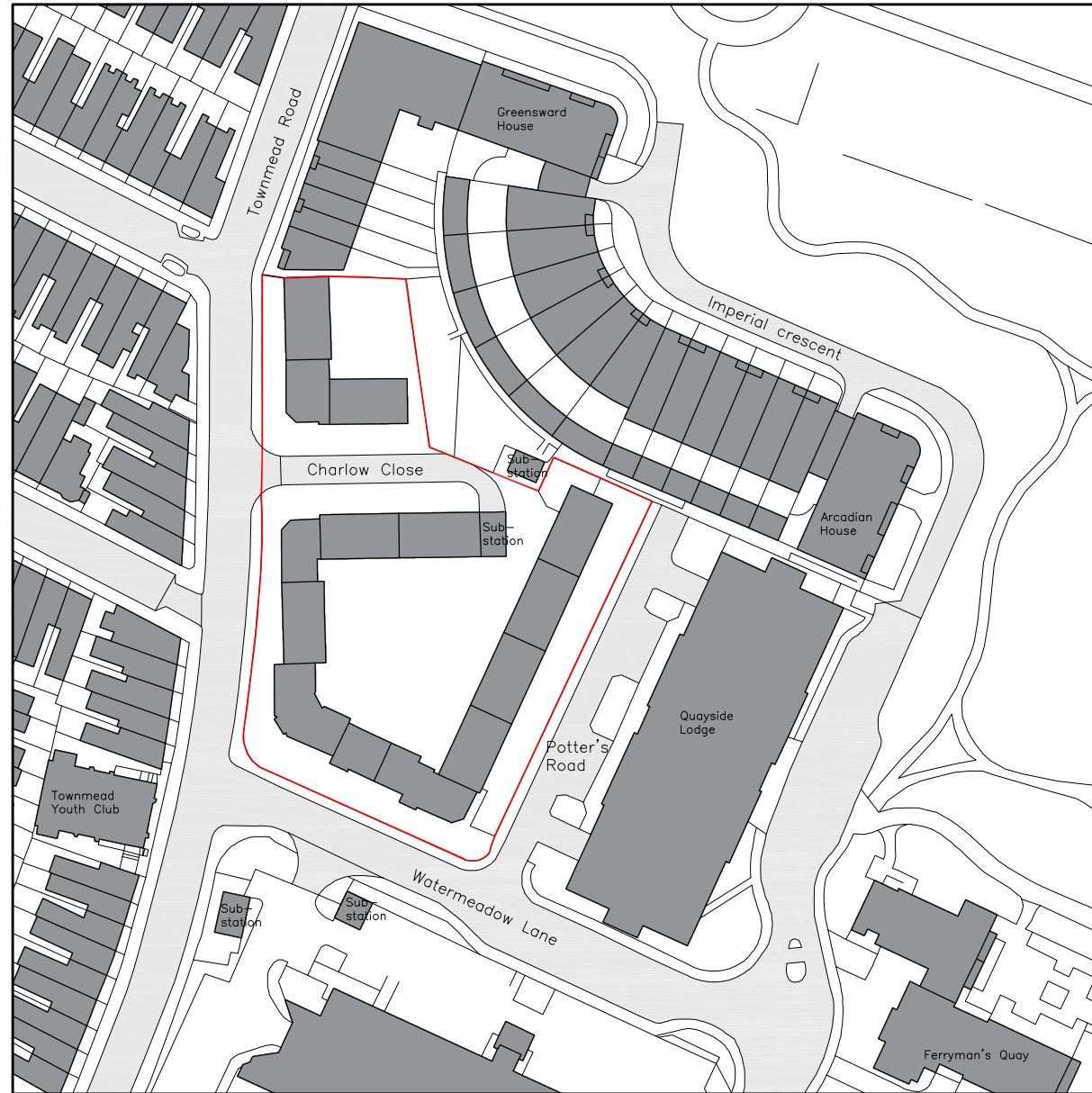
Project
 Edith Summerskill House

First Issued	Originator	@A3	@A1	Status
25.11.16	AM	1:1250	-	P

Drawing no.
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Drawings, specifications and schedules are to be read in conjunction with the following where applicable: Employer's Requirements documents, Agreements to Lease, Structural Engineer's drawings and specifications, Civil Engineer's drawings and specifications, Survey Drawings, Party Wall Boundary Awards. Other specialist design consultant's requirements as appointed by the Main Contractor. Other specialist design sub-contractor's requirements as appointed by the Main Contractor.

Key Plan



Notes

REV	NOTES	DATE	BY	AUTH
PL	Planning Application			

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DRAWING STATUS

Planning

TITLE

Site Location Plan

PROJECT


Watermeadow Court

SCALE AT A3:

1:1250

JOB NO.	DRAWING	REV
13017	(01)-P-S0000	PL

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<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>9 JULY 2018</p>	 <p>h&f hammersmith & fulham</p>
<p>HOUSING REVENUE ACCOUNT 2017/18 OUTTURN</p>	
<p>Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For Information</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Hitesh Jolapara – Strategic Director, Finance and Governance</p>	
<p>Report Author: Kathleen Corbett – Director of Finance (Growth & Place)</p>	<p>Contact Details: Tel: 020 8753 3031 Email: kathleen.corbett@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The Housing Revenue Account (HRA) provisional outturn variance for 2017/18 is an overspend of £0.052m. This overspend is after the transfer of £6.229m to HRA reserves. As a result, HRA general reserves as at 31st March 2018 are £9.946m and HRA earmarked reserves are £41.929m (of which £34.7m is cashable and £7.2m is non-cashable). HRA reserves in total are £51.875m, equivalent to 43.3% of actual capital and revenue gross expenditure for 17/18 (or 38% of the original budgeted expenditure for the year). Full 2017/18 data should be available for inner London by early August. A detail explanation of the elements that make up the over spend can be found in Appendix 1. A detailed breakdown of reserves is included in paragraph 5.8 of this report.
- 1.2. Expenditure on Health and Safety was £5.04m against total original budgets of £4.9m and against budgets set at Full Council on 18th October 2017 that included Fire Safety Plus of £14.2m.

- 1.3. HRA earmarked reserves are held to cover specific future plans that are not covered by normal budgets. These reserves are held primarily to cover revenue contributions needed to fund the Council's Fire Safety Plus¹ programme (£12.8m), the potential refund to tenants of water charge commission as a result of the Southwark Council judgement (£10m)² and the inherent risk of abortive costs on regeneration and development projects (£6.4m).
- 1.4. The total housing capital programme expenditure for the year 2017/18 is £37.914m.
- 1.5. 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 conclusion of the Council's budgetary control cycle for 2017/18.

2. RECOMMENDATIONS

- 2.1. To note the HRA provisional overspend of £0.052m, which is after the transfer of £6.229m of underspends to HRA reserves.
- 2.2. To note the overall increase in the HRA cashable reserves of £6.229m resulting in an overall balance of £51.875m as at 31st March 2018, subject to audit.
- 2.3. To note the Housing capital programme outturn in the HRA of £37.914m.

3. REASONS FOR DECISION

- 3.1. To confirm the financial position for the Housing Revenue as at 31st March 2018. This report outlines the provisional revenue outturn position, income and expenditure for 2017/18 for the Housing Revenue Account, and the consequent effect on the Council's levels of Housing Revenue Account general and earmarked reserves. Also, this report outlines the provisional capital outturn position for 2017/18 for the Council's housing capital programme which is known as the Decent Neighbourhoods Programme.

4. HOUSING REVENUE ACCOUNT OUTTURN

¹ The Fire Safety Plus Programme was endorsed in July 2017 by Full Council. It is designed to improve the safety of Council Homes, both tenanted and leasehold, and we are working closely with the London Fire Brigade to ensure the highest standard. Full Council agreed to set aside a budget of £20m to fund the programme on 18th October 2016, this budget is being part funded by existing reserves.

² This is court case that was successfully bought by tenants against the London Borough of Southwark regarding the water charges that the Council passed onto them from Thames Water.

- 4.1. The HRA provisional overspend is £0.052m. This position is after the transfer of £6.229m of underspends to HRA reserves.
- 4.2. The source of the additional funds transferred to reserves is primarily an underspend on a revised revenue budget³ of £4.636m as a revenue contribution to the capital programme which was not required to fund the HRA Capital Programme of planned works including Fire Safety Plus. This is because capital expenditure was a lot less than budgeted mainly due to delays in work starting because of the ongoing compliance checks on the planned programme.
- 4.3. The other main reason is an underspend on the budgeted bad debt provision for rental income for Council homes as a result of a better than forecast rent collections.
- 4.4. Overall, HRA Reserves have increased by £6.229m. This is attributable to the overspend of £0.052m, the budgeted appropriation from the HRA General Reserve of £1.382m, and a transfer to specific earmarked reserves of £8.866m and drawdowns against earmarked reserves of £1.203m. Table 1 below summarises the movement on the HRA General Reserve.

Table 1: 2017/18 Housing Revenue Account Outturn

Housing Revenue Account	£m
Total Reserve including earmarked reserve at 31 March 2017	(45.718)
Budgeted appropriation	1.382
HRA deficit (overspend)	0.052
Drawdowns from Earmarked reserves in the year	1.275
Revenue contributions to specific earmarked reserves	(8.866)
HRA Total Reserve including earmarked reserve 31st March 2018	(51.875)

- 4.5. The detailed reasons for under and over spends are explained in Appendix 1. More detail on the current reserves position and transfers between reserves is set out below.

³ Contribution as revised in Q3 Capital Monitor. This was revised down from a revenue contribution of £9.464m in the budget amendment for Fire Safety Plus put to Full Council on 18th October 2018. The reduction in the requirement is most due to a reduction in Fire Safety Plus predicted expenditure as precise specifications are reviewed in the light of emerging changes to Building Regulations.

5. RESERVES⁴ AND PROVISIONS⁵

- 5.1. Two types of reserves are held within the HRA: **General reserves** and **Earmarked reserves**.
- 5.2. **HRA General reserves** should provide sufficient cover against unanticipated events. The risks facing the HRA must be viewed in conjunction with the level of HRA general reserves held. A prudent level of reserves is important to support long term investment planning in the context of a property portfolio of 17,000 properties with an existing use value of £1.3 billion.
- 5.3. The level of HRA general reserves has been revised in line with this approach and the current level is equivalent to approximately eight weeks rent⁶.
- 5.4. Our level of HRA General Reserves is benchmarked with other central London Authorities, this is shown in Appendix 2. Based on 31st March 2017 levels, relative to revenue turnover, five of the 12 Central London Authorities have general reserves lower than the Council's general reserves at 31st March 2018.
- 5.5. **HRA Earmarked reserves** are funds set aside to cover specific future plans that are not covered by normal budgets (such as the investment in fire safety plus and Hampshire IBC) and risks that are considered highly likely to happen (such as welfare reform and the regeneration reserve). The Council's level of HRA earmarked reserves is also benchmarked in Appendix 2.
- 5.6. Relative to revenue turnover we hold the third highest level of earmarked reserves out of the 12 Central London Authorities. This is primarily because of the large sums we have set aside to fund the Fire Safety Plus Programme and to cover the Southwark Water case risk.
- 5.7. The Council's **total HRA reserves** need to be viewed in the context of the longer term position set out in section 7 of this report. It's currently at a higher level than originally predicted as capital expenditure has been lower than budgeted. Expenditure on planned work to Council Homes in the year has been £23.766m compared to an original budget of £33.5m and an updated budget that included £10m of Fire Safety Plus expenditure, reported to Full Council in October 2017 of £46.5m. This under spend compared to budget has meant we haven't had to make the revenue contributions to capital that we expected.

⁴ Reserves in general are amounts set aside which are for future policy purposes or to cover contingencies. Earmarked reserves are for specific expenditure or projects only.

⁵ A provision is an amount set aside for liabilities anticipated in the future which cannot always be accurately quantified. A provision is for a present obligation as the result of a past event.

⁶ Gross rent plus tenant service charges

**Table 2:
Earmarked Reserves and General Reserve at 31st March 2018⁷**

Reserve	Balance at 31/3/17	Proposed movement	Proposed Balance at 31/3/18
Transformation Reserve	(500)	(792)	(1,292)
IT Recharges	(492)	242	(250)
Regeneration Reserve	(4,208)	(2,205)	(6,413)
Utilities	(9,382)	(1,368)	(10,750)
Sheltered Housing Enhanced Service	(185)	(42)	(227)
Parking Charges Review	(606)	0	(606)
Community Pot	(38)	(22)	(60)
Deed Pack Review	(300)	300	0
Customer Service Improvement Programme	(250)	250	0
HRA Council Tax	0	(54)	(54)
HRA Office Reorganisations	(150)	0	(150)
Hampshire IBC	(300)	0	(300)
Recycling hub loop extension	(99)	22	(77)
Protecting the future of Council Homes	(317)	102	(215)
Welfare Reform	(1,500)	0	(1,500)
Fire Safety Plus	0	(12,845)	(12,845)
HRA General Reserve	(20,129)	10,183	(9,946)
Cashable Reserves	(38,456)	(6,229)	(44,685)
Non Dwellings Impairment	(7,262)	72	(7,190)
Non-Cashable Reserves	(7,262)	72	(7,190)
Total Reserves	(45,718)	(6,157)	(51,875)

5.8. The main movements on earmarked reserves are:

- the establishment of the Fire Safety Plus reserve. The (£12.845m) set aside will contribute towards the costs of the Fire Safety Plus programme agreed by Full Council in October 2017.
- (£2.205m) added to the Regeneration reserve to bring the total balance to (£6.413m). This covers the risk of abortive costs on the councils major development and regeneration projects that are still in progress as at 31st March 2018. A further top-up of (£1.368m) for the Utilities reserve means that the Council has now set aside (£10.0m) for the potential refund of the commission element on water and sewerage costs to tenants as a result of the Southwark judgement refund plus £0.75m to

⁷ The Welfare Reform reserve is money set aside to help us support residents to manage their money so they can afford to pay their rent as the roll out of Universal Credit continues.

cover a risk of refunds as a result of a review of heating charges.

- 5.9. A number of **provisions** are held to provide for financial obligations that the HRA may need to meet. These are set out at Appendix 4.

6. VIREMENTS

- 6.1. In order to produce the final accounts to statutory deadline of 31st July, a number of actions are required that normally need Cabinet approval (final budget carry forwards, use of reserves, budget virements, level of bad debt provision etc.).
- 6.2. In order to meet the deadline, Cabinet delegated decision making in relation to these issues to the Strategic Finance Director in consultation with the Cabinet Member for Finance.

7. LONGER TERM OUTLOOK

- 7.1 Despite the small overspend and the transfer of underspends to reserves, the financial context for the HRA going forward for 2018/19 remains challenging.
- 7.2 This new financial year will see the third of four years of 1% social housing rent reductions, further pressure on revenue budgets as a result of continued investment in compliance while borrowing is constrained by the HRA debt cap.
- 7.3 This means that delivering a balanced budget 2018/19 will depend upon the careful management of risks, the achievement of increased income targets for commercial rents, garages and income from advertising hoardings, attainment of annual savings of £0.374m and the containment of inflationary pressures and agreed budget growth of £2.548m.
- 7.4 The balanced budget presented to Cabinet in February 2018, was based upon a drawdown of £1.835m from the HRA General Reserve and after an assumed £4.563m revenue contribution to capital. The latest capital forecasts now show that this will not be needed in the short term as forecast capital expenditure has reduced. However the business plan shows that there remains a requirement for significant revenue contributions to capital costs in the short to medium term.
- 7.5 In addition the HRA faces a number of other significant risks to its financial stability in the longer term.
- 7.6 These risks include the Government's programme of **Welfare Reform**, which is expected to have a significant impact on the Council's ability to collect rental income and will result in increased bad debt charges to the HRA. All new benefit claims are subject to Universal Credit and it is

anticipated that from 2019 the Government will begin migrating all remaining existing benefit claimants to the Universal Credit. It is difficult to accurately estimate the final full financial impact of this. We know that some Local Authorities and other Registered Providers have experienced reduced rent collection rates following the introduction of Universal Credit, for example LB Croydon's average collection rates dropped from 97.5% in 2015/16 to 93.6% in the first part of 2017/18⁸. So, although because of a very effective rent collection strategy and a slower Universal Credit roll out than anticipated we didn't use £2.17m of the £2.7m 2017/18 budget for bad debts, we have again for 2018/19 included an allowance for this risk in the budget by allowing £2.7m for bad debts.

7.7 The **Housing and Planning Act 2016** which enforced the rent decrease also provided for the enforced sale of high value voids with the sale proceeds being paid over to central Government. Government have been largely silent on when the Council may have to make any payment for high value void sales and have not yet published the detailed regulations so we do not know the size of the payments we may have to make although it was announced that there will be no payment for the 2018/19 financial year. Therefore, given the uncertainty, the long term HRA financial plan still excludes the impact of the high value voids policy; this Government policy represents a significant risk to the HRA financial plan.

7.8 Due to the need to borrow (internally and externally) to fund the programme to 2021/22, **the capital funding requirement (CFR) headroom** (the measure used for the HRA debt cap) is now forecast to fall to £9.5m by the end of 2021/22 after accounting for the Earls Court and other deferred costs. The level of headroom is highly sensitive to the Earls Court project, especially the timing and financing of buybacks required under the contract.

- Earls Court as noted above, there's uncertainty over the timing of development notices under the Conditional Land Sale Agreement makes cash flows and receipt recognition very hard to predict.
- From 2018/19 to 2021/22 the housing capital programme is in part funded by **s106 receipts** (£26.5m). Only £3.6m of this is in hand and the timing of £11.9m of these S106 receipts is still unclear.
- There's a **risk of additional Fire Safety costs** over and above those in the budgets as result of revised building regulations, recommendations for materials to be used for works, specification

⁸ Agenda item 5, section 5.3 on LB Croydon Tenant & leaseholder Panel 17 January 2018 which can be found at <https://democracy.croydon.gov.uk/documents/g401/Public%20reports%20pack%2017th-Jan-2018%2018.30%20Tenant%20Leaseholder%20Panel.pdf?T=10>

for items such as fire doors, and any other recommendations that may come out of the Grenfell Public Enquiry and any associated reviews.

Risk of repayment of Right to Buy receipts: £14.5m of retaining Right to Buy one for one receipts⁹ (RtB 1-4-1 receipts) must be used in 2018/19 or be repaid to the Ministry for Housing, Communities & Local Government. The GLA has recently made an offer to boroughs in its Homes for Londoners funding prospectus, whereby any RtB receipts and interest returned to MHCLG is passed to the GLA and held in a borough specific ring fenced account. The GLA would hold the funding, with LBHF directing how the funding would be spent against an agreed programme. This can be spent on council projects or given to registered providers, which is the same as under current rules. This is considered as an effective mitigation for the RtB risk and at the time of writing officers are in the process of formalising the agreement with the GLA.

- 7.6 Other risks include the impact on net income if the number of Right to Buy disposals increases above 40 per annum, changes in the rules relating to accounting for impairment and revaluation losses leading to an adverse financial impact on the HRA, unpredicted events resulting in additional repairs and maintenance costs, other changes in central Government policy such as those restricting rent levels, increases in corporate service level agreement charges, market risks on costs associated with re-procurement and recruitment as well as the risk to commercial and advertising income of market changes.

8. CAPITAL OUTTURN

- 8.1 Total capital expenditure on the Housing Programme for the financial year was £37.9m against an original budget of £53.1m reported to Full Council in February 2017, a revised budget of £69.7m reported to Full Council in October 2017 and a revised Quarter 3 budget of £49.2m.
- 8.2 Of this, the full year capitalised spend on **Health & Safety related items** was £2.1m against an original full year budget of £3.282m and against a budget reported to Full Council on 18th October 2018 of £12.572m. £1.7m of this spend was on specific fire safety improvement works. In addition to this revenue spend on Health & Safety was £2.94m against a revenue budget for Health and Safety of £1.627m. This included £2.41m on fire safety related costs. **Total expenditure on Health and Safety was £5.04m against total original budgets of**

⁹ These are the additional retained right to buy receipts that the council gets to keep due to the 2012 agreement with the then Department for Communities and Local Government. These receipts can only be used on developing or acquiring additional affordable rented homes and can only contribute towards 30% of the cost of works delivered or acquisitions completed. There is a 3-year time limit to use the receipts, after which they are returned to Ministry for Housing, Communities & Local Government.

£4.9m and against budgets set at Full Council on 18th October 2017 that included Fire Safety Plus of £14.2m.

- 8.3 A summary of capital expenditure and capital financing is included below. Further details can be found in the Capital Programme Monitor and Budget Variations 2017/18 (outturn) report that is also going to July 2018 Cabinet.

Table 3 - Capital Expenditure and Funding Summary 2017/18

Capital Expenditure	2017/18 £'000
Decent Neighbourhood Schemes	14,148
HRA Schemes	23,766
Total Expenditure	37,914

Capital Financing Source	2016/17 £'000 Total
Capital Receipts - Unrestricted	12,208
Capital Receipts - RTB (141)	4,250
Capital Receipts - Sale of new build homes	96
Housing Revenue Account (revenue funding)	-
Major Repairs Reserve (MRR)	16,262
Contributions Developers (S106)	1,880
Contributions from leaseholders	2,553
Insurance claims	665
Total	37,914

- 8.4 The latest housing CFR forecast is shown below. Housing CFR is the measure used by Government for the HRA debt cap. The Council's debt cap is £254.6m. The forecast below shows that by 2021/22 the Council will be within £9.5m of its's HRA debt cap. This needs to be viewed in the context of the risks set out in section 7 of this report.

HRA CFR Forecast	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Closing Forecast HRA CFR (excluding deferred costs of disposal)	204.84	204.85	207.09	218.60	223.25	235.79
Deferred Costs of Disposal	5.83	5.42	6.29	7.18	8.08	9.31
Closing Forecast HRA CFR (including deferred costs of disposal)	210.68	210.26	213.39	225.78	231.33	245.10

9. CONSULTATION

- 9.1. With Departments and Strategic Leadership Team.

10. EQUALITY IMPLICATIONS

- 10.1. Cabinet is asked to note the outturn of the Housing Revenue Account for 2017/18. It is not asked to make any decisions nor take any action, hence there are no equality implications arising from this report.

10.2. Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

11. LEGAL IMPLICATIONS

11.1. There are no legal implications contained within this report

11.2. Implications verified/completed by: Adesuwa Omoregie, Principal Solicitor, tel. 020 8753 2297.

12. FINANCIAL IMPLICATIONS

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

13. IMPLICATIONS FOR BUSINESS

13.1. There are no implications for local businesses.

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

14. COMMERCIAL IMPLICATIONS

14.1. There are no direct commercial implications in this report.

14.2. Implications verified/completed by: Joanna Angelides on behalf of Simon Davis, tel: 020 7361 2586.

15. IT IMPLICATIONS

15.1. There are no IT implications contained within this report.

15.2. Completed by: Veronica Barella, Chief Information Officer, tel 200 8753 2927.

16. RISK MANAGEMENT

16.1. The report provides details of the main risks associated with the Housing Revenue Account as referenced in section 7 of the body of the report. Revenue reports provide assurance that the risks are monitored so as to ensure that the Council continues delivering high quality customer services and increasing customer satisfaction with services provided in accordance with management of Corporate Risks 11, maintaining reputation and service standards, meeting our community needs and expectations and 14 Compliance with our statutory duties including health and safety and our Council Priority Building shared prosperity.

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

17. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext holder of file/copy	Department/ Location
	Revenue budget monitoring reports 2017/18 – published	Gary Ironmonger Tel: 0208 753 2109	Finance & Governance
	Allocations to, movements between and withdrawals from Housing Revenue Account reserves DIRECTOR DELEGATED DECISION 11 th April 2018 – Exempt report	Kathleen Corbett Tel: 0208 753 3031	Finance & Governance

LIST OF APPENDICES

Appendix 1 HRA 2017/18 Revenue Outturn

Appendix 2 HRA Reserves Benchmarking

Appendix 3 HRA Provisions

APPENDIX 1

DEPARTMENTAL ANALYSIS – HOUSING REVENUE ACCOUNT (HRA) 2017/18 REVENUE OUTTURN

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Housing Income	(78,450)	(763)	<p>Void numbers have been lower than expected for Council homes, therefore void income loss for rents and tenant service charges is less than budgeted (from a budgeted figure of 1.3% to an outturn of 0.98%; (£394k) in total).</p> <p>The better than budgeted performance is also due to:</p> <ul style="list-style-type: none"> • additional income on leaseholder service charges of (£147k) due to more repair work being recharged in the annual service charge bills as opposed to on major works invoices, • commission earned following an agreed variation to the contract with Thames Water (£615k). <p>This is offset by underperformance on advertising hoarding income of £371k due to delays and contractual issues and other minor variances of £22k.</p> <p>An underspend of (£2.17m) on the bad debt provision for rental income for Council homes as a result of a very effective rent collection strategy on the part of the Rent Income team (99.1% collection rate and a 1.4% reduction in current arrears balances), helped by slightly slower roll out of Universal Credit than expected when the budget was set, has been transferred to specific earmarked reserves including the Council's Fire Safety Plus reserve which sets aside funds for future works.</p>

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Finance and Resources	11,819	(200)	This relates mainly to delays in recruitment for the Finance and Resources division (£225k), 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 (£186k) within the Rent Income team, IT software and telephony (£182k) and lower than expected pension fund contributions (£130k). These underspends are offset by an increase in the provision for housing service risks of £661k which mostly relates to the need to provide for the potential impact of refunding tenants for water and sewerage charges pending the outcome of a test case elsewhere following the court case against Southwark Council.
Housing Services	13,803	(654)	Lower than expected decant volumes have resulted in a fall in the cost of placing decanted tenants into temporary accommodation (£130k). There is an underspend on incentive payments to encourage tenants to downsize to smaller homes (£148k) which is mainly due to a lack of homes that meet the requirements of potential tenants and lower than expected interest from tenants. Following the completion of the feasibility stages of the Estate Parking Project, there is an underspend of (£97k). There is lower than expected expenditure on resident involvement activities including resident training, activities and events and service improvement groups (£91k), lower than budgeted reactive grounds maintenance works (£100k), an underspend on estate energy costs (£111k) and other minor adverse variances of £23k.

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Property Services	4,062	1,959	<p>The overspend relating to enhancing fire safety for the residents of the Council's homes of £1.413m includes 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.</p> <p>Property Services core budgets have overspent by £546k and this mainly relates to core staffing costs of £503k for staff put in place to strengthen both the clienting of the repairs contract and focus on compliance, shortfalls in income from rechargeable work of £95k and insurance recovery of £154k, offset by underspends on core service running costs (£124k) and a number of other minor variances (£82k).</p>
Housing Repairs	13,809	1,351	<p>The out of scope element of the repairs contract with MITIE has overspent by £886k. 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.</p> <p>MITIE have charged the Council for additional services costing £465k that, based on the budget, should have been discontinued at the end of last year. Officers are working with MITIE to resolve the situation.</p>
Housing Options	93	(131)	This relates to underspends on hostels for repairs (£46k) and other running costs (£66k). Also, a review of the time spent by the Assessment Team between activities relating to the General Fund and Housing Revenue Account has produced a further (£19k) underspend.
Adult Social Care	48	0	
Regeneration	995	(21)	
Housing Strategy	544	(47)	

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Safer Neighbourhoods	678	0	
Capital Charges	33,981	(1,442)	Following a review of the depreciation charge methodology and the useful economic lives assigned to housing assets, there has been a reduction in the depreciation charge this year of (£1.680m). Further, the interest earned from HRA balances has been reduced by £160k 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 cannot be recognised and used to reduce the capital financing requirement until the land transfers from the Council to the developer have been completed. There are a number of other minor variances of £78k.
(Contribution to)/ Appropriation From HRA General Reserve	1,382	52	

APPENDIX 2: RESERVES BENCHMARKING

Other Councils have not yet published their 31st March 2018 accounts so the table below is based on 31st March 2017. It will be updated as soon as other Councils' results are available.


Local Housing Authority	Turnover 2016/17	General Reserve at 31st March 2017	General Reserve as a % of Turnover	Earmarked Reserve at 31st March 2017	Earmarked Reserve as a % of Turnover	Total HRA Reserve	Total Reserve as a % of Turnover
	£m	£m	%	£m	%	£m	%
Central London Local Housing Authorities							
Wandsworth	141.1	130.9	93%	190.9	135%	321.80	228%
Lewisham	87.9	5.4	6%	51.7	59%	57.12	65%
Westminster	112.8	41.6	37%	12.3	11%	53.89	48%
Tower Hamlets	92.7	39	42%	0	0%	39.00	42%
Islington	190.6	17.5	9%	53.0	28%	70.54	37%
RBKC	58.6	20.9	36%	0.4	1%	21.30	36%
Lambeth	176.2	35.3	20%	6.8	4%	42.10	24%
Hackney	140.3	10.2	7%	17.4	12%	27.60	20%
Camden	203.7	38.4	19%	n/a	0%	38.40	19%
Greenwich	121.6	12	10%	n/a	0%	12.00	10%
Southwark	299.1	14.3	5%	0	0%	14.30	5%
H&F 2017/18	81.9	9.95	12%	42	51%	51.88	63%
H&F 2016/17	82.6	20.1	24%	25.3	31%	45.40	55%

Note that a key reason for the higher reserves level in H&F is due to the £4.636m budgeted revenue contribution to capital expenditure not being needed in 2017/18. £7.2m of the Council's HRA Earmarked Reserves are non-cashable.

APPENDIX 3: PROVISIONS

	Disrepair	Legal Defence	Disputed Costs	Total
	£000s	£000s	£000s	£000s
Balance at 31 March 2017	(128)	(65)	(554)	(747)
Additional provisions	0	0	0	0
Amounts used	0	0	0	0
Unused amounts reversed	9	0	0	9
Balance at 31 March 2018	(119)	(65)	(554)	(738)

Agenda Item 11

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>9 JULY 2018</p>	 <p>hammersmith & fulham</p>
WEST KING STREET RENEWAL	
Report of the Cabinet Member for the Economy and the Arts: Councillor Andrew Jones	
Open report A separate report on the exempt part of the Cabinet agenda provides financial information.	
Classification: For decision Key Decision: Yes	
Consultation: Housing, IT, Property, Legal, Finance, Local Residents, Strategic Leadership Team	
Wards Affected: Hammersmith Broadway	
Accountable Director: Jo Rowlands, Strategic Director, Growth and Place	
Report Author: David Burns, Assistant Director Growth	Contact Details: Tel: 020 753 6090 David.Burns@lbhf.gov.uk

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, instructed officers to develop alternative proposals for the sites involved, in light of the Council's decision to end the previous arrangements.
- 1.2. The Cabinet Report of the 5th March 2018 West King Street Renewal, authorised the Council to enter into Heads of Terms with A2 Dominion Housing Association for a conditional land sale to enable the regeneration of the Town Hall site and West King Street. It also authorised several enabling actions to progress the regeneration.
- 1.3. The proposals, which are subject to the grant of planning permission and listed building consent, as well as to a business case and affordability, will if approved, provide a new civic and community campus, including new fit for

purpose office accommodation for the Council, 204 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 (referred to as the Project in this report). A separate part of the Project will see the existing town hall refurbished.

- 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. It sets out the risks associated with these decisions, including the possible financial costs (up to £2.85m based on approved and expenditure proposed in this report) as set out in the financial implications.
- 1.5. A further report in September 2018 will be presented to Cabinet with recommendations and the final business case for the approval of the contractual arrangements with A2 Dominion. Enabling budget approvals are included in paragraphs 2.6 to 2.8.

2. RECOMMENDATIONS

That Cabinet agrees:

- 2.1. To delegate authority to the Strategic Director, Growth and Place, in consultation with the Cabinet Member for the Economy and the Arts, the Cabinet Member for Finance and Commercial Services, the Chief Executive and the Strategic Director, Finance and Governance, 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 West King Street Renewal in order to enter into a Conditional land sale agreement, the conditions for which are set out in the exempt part of the report, paragraphs 4.8 and 4.9. This is subject to:
 - The approval of a satisfactory business case for the Project that demonstrates the value for money, affordability, and financial benefits of the project
 - A review of the business case by external Financial Advisors on the project (Deloitte)
 - Receipt of tax advice from Deloitte
 - Satisfaction of Best Consideration, approved by the Borough Valuer
- 2.2. To note that the land to be included in the CLSA is set out in Appendix 1.
- 2.3. To note that satisfying the conditions in the conditional land sale agreement and set out in the body of the report will require a future approval of budgets and business case for those budgets in accordance with the Council's constitution and financial regulations.
- 2.4. To delegate authority to the Chief Executive and Strategic Director, Growth and Place, in consultation with the Cabinet Member for the Economy and the Arts, the Cabinet Member for Finance and Commercial Services, and the Strategic Director, Finance and Governance, to identify suitable decant

accommodation and pursue negotiations for the lease or purchase of this accommodation following which recommendations will be made to Cabinet for approval.

- 2.5. To note completion of a lease or purchase is subject to a future Cabinet or Full Council approval as appropriate including approval of the necessary budgets, and satisfaction of the business case process set out in 2.1.
- 2.6. To approve a budget of £276,000 for the Decant Accommodation Team, to prepare for the decant of staff.
- 2.7. To approve a budget of £100,000 for financial advice on the development of the final business case and to delegate authority to the Strategic Director, Growth and Place, to extend the contract with Deloitte for Financial Advice as required.
- 2.8. To approve a budget of £100,000 for the completion of survey and technical work on the existing Town Hall.

3. REASONS FOR RECOMMENDATIONS

Previous Cabinet Decisions

- 3.1. This report is making recommendations in keeping with earlier Cabinet approvals. 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, which authorised the Council to end the previous arrangements and instructed officers to develop alternative proposals for the sites involved.
- 3.2. The Cabinet Report of the 5th March 2018 West King Street Renewal, authorised the Council to negotiate with A2 Dominion for heads of terms for a conditional land sale to enable the regeneration of the Town Hall site and West King Street. It also authorised several enabling actions to progress the regeneration.

Planning Submission

- 3.3. A2 Dominion submitted their planning application for the whole site on 25th April 2018 (the site is identified in Appendix 1). Their submission includes:
 - Demolition of Town Hall Extension, 181 King Street, Friends Meeting House, and former Registry Office.
 - Construction of 204 residential units, of which 99 will be either Private rented units and 105 genuinely affordable homes. Of that 104, 69 are social rented and 36 are for shared ownership.

- An additional 5,896m2 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 a total space of 10,425sqm office, ancillary and civic spaces
- Additional 5,836 m2 of B1 office space for a third-party occupier.
- 641m2 of B1 space allocated as affordable workspace
- 707m2 commercial uses in A1-A3 class.
- A new four screen cinema, totalling 2171m2 and including a bar/café use
- A new public space in front of the town hall which can be used for programmed events

Conditional Land Sale Agreement

- 3.4. The Council is in negotiations with A2 Dominion for the conditional land sale agreement and to deliver the West King Street Renewal. Decision making following the completion of negotiations will need to be in accordance with the Council's financial regulations and constitution.
- 3.5. An application for Planning permission has been submitted to the Council. A decision on the planning applications has not been yet been made. It is anticipated that the application will be considered by the Council's Planning Committee in October 2018.
- 3.6. An application has also been submitted for Listed Building Consent which will also be required to implement the proposals. Permission for this application is also pending.
- 3.7. The Conditional Land Sale Agreement will set out the key obligations of each party and when these obligations need to be satisfied. A2 Dominion will be responsible for delivering all the new build elements of the project, while the Council will be responsible for the separate refurbishment element of the project.
- 3.8. Key conditions will need to be satisfied before the Council is required to commit funding to the project and, and the Council will also need to satisfy its own business case process before signing the Conditional Land Sale Agreement.
- 3.9. The project will also produce several additional benefits, the full detail of which will be assessed as part of the business case. This includes:
 - An improved Town Hall asset, with its long-term future secured
 - Additional revenue generation from improved town hall facilities and the opportunity for marketable space on the roof of the new town hall extension
 - Additional Business Rates from the offices, cinema, retail, and café uses, and affordable workspace being created

- Additional Council Tax revenue from the new homes being created
- Cost avoidance on temporary accommodation costs through the creation of genuinely affordable housing
- A regenerated West King Street, with increased footfall supporting the businesses on this part of the high street

Conditions of CLSA

- 3.10. A primary condition will be the granting of an implementable planning permission, and listed building consent and the signing of a section 106 planning agreement, and either party will not be obliged to proceed without planning or listed buildings consent.

Delivery Teams Required

- 3.11. To deliver the project and the Council's obligations under the land sale agreement, operational resources will be required, the details of which are set out in the financial implications section. The resources identified are short term for this financial year to deliver the decant process and to secure the necessary technical advice

4. PROPOSALS AND ISSUES

Key Terms of the Conditional Land Sale Agreement

- 4.1. These are set out in the exempt part of the Cabinet agenda, paragraph 4.1 to 4.9.

Council's Obligations

- 4.2. The Council will have responsibility for acquiring all land and providing vacant possession of the site to A2 Dominion and for funding all the decant costs.
- 4.3. The Council will be responsible for funding the refurbishment of the town hall, the design elements and the category B fit out.

5. OPTIONS CONSIDERED

Business Case Process and Developing Funding Options

- 5.1. A report to Cabinet is expected in September to confirm whether the business case process has been satisfied and to recommend approval of budgets so that Council can satisfy the conditions and progress the project.
- 5.2. Ahead of this decision and as part of the business case process, the Council is developing the specification and cost plan for the refurbishment of the Town Hall. This will involve:

- a) reviewing the condition surveys that have identified the need for investment
 - b) reviewing individual room data sheets that set out the detail for specific rooms in the building
 - c) testing the proposed solutions from the design team for affordability and long-term performance, including M&E proposals, window design, and conservation items
 - d) carrying out value engineering on proposals
 - e) eliminating risk items for this stage.
- 5.3. This will be an ongoing process for the refurbishment as the design is developed to RIBA stage 4, and as the employer's requirements for a contractor procurement are developed in detail. The Council will be working with A2 Dominion's consultant team but is also appointing its own independent consultants to advise on the costs and the technical aspects of the project.
- 5.4. The Council is undertaking work with the aim of reducing its decant requirement through a combination of its desktop and workforce strategies, which mean that the Council will require less physical space and workstations. This has been factored into the town hall and the roof top extension design. Further details on this are provided below.
- 5.5. The Project will result in increased revenue generating opportunities for the Council through the provision of higher quality space that can be let out, and through the roof top space creating something that can be let out for events and weddings.
- 5.6. The business case process also includes testing the way the Council's obligations (town hall refurbishment and decant costs) are funded and the affordability of this before the Council commits to funding the Project.

Reducing Decant Requirement

- 5.7. The terms of the development agreement mean that the Council will have to provide vacant possession of the current buildings. The buildings that will require decanting are the town hall and the town hall extension, 181 King Street, and the Old Registrars. A detailed options appraisal on how best to achieve this will be carried out by officers under the delegations in this paper.
- 5.8. The decant team have identified opportunities to move some teams and functions to alternative locations within the Council's estate to remove them from the decant requirement. 145 King street is being fully utilised following the recent 'moving on' moves.
- 5.9. The key services that will not be accommodated in the temporary decant accommodation are:
- The Registrar's Office
 - Community CCTV

- Parking wardens and CCTV
- Hammerprint
- Careline
- The ICT Communications hub (in the town hall)
- Customer Services Centre (relocating to 145 King Street)

5.10. Projects are already underway to decant these services, and approval was given at 5th March Cabinet for most budgets. Further budgets will be required and will be captured during the business case process, and included in future cabinet approvals.

5.11. We are continuing to look at opportunities to reduce the Council's decant costs. We are investigating the feasibility of using Council owned properties as touchdown locations to reduce the decant space requirements (or to relocate services to).

5.12. Specific locations for testing have been identified as:

- White City Housing Offices
- Shepherds Bush and Hammersmith Libraries
- Cobbs Hall
- Bagley's Lane
- Lila Husset

5.13. It is proposed that we investigate a selection of satellite buildings distributed through the borough that could have small-scale interventions undertaken to turn them into 'touchdown' locations that complement the central, principle office buildings.

5.14. The chosen satellite buildings would have unallocated perch work settings installed for staff visiting from other buildings; Wi-Fi, cabling, live utilisation feed and security/access arrangements that are identical to the standard workspace; and shared kitchenette and resource areas based on common standard principles, so visiting staff know what they will find there.

5.15. Once the feasibility of this is tested and approved under delegations, an investment of £100,000 would enable a project to:

- a) Identify and assess properties with potential to be incorporated into a network of workspaces
- b) Make basic improvements so that these locations are accessible to staff and offer a common standard and experience
- c) A communications exercise to ensure staff are aware of and equipped to make use of touch down opportunities.
- d) Deployment of a system which allows building users to check desk availability using any device (smart phone, tablet, laptop, PC, digital signs etc. As used by university libraries etc.)

- 5.16. Officers expect this will deliver a limited desk capacity of c.50 desks, potentially reducing decant accommodation demand by c.500sqm.
- 5.17. There are no substantial office buildings in the portfolio other than 145 KS, HTH and THX. The accommodation strategy over the last 5-8 years has been to exit leasehold properties.

Decant Options

The Town Hall can't be occupied while the works are completed as it's not possible to create a safe working environment. Therefore, if works are to start on the town hall it must be vacated. The extension must be vacated to enable its demolition. This report seeks delegated authority to complete an options appraisal and assess the best route to decant, (full, partial, staggered) and best property option (lease or freehold purchase) and to pursue suitable decant accommodation. Further approval will be needed for any lease or purchase of office accommodation.

6. CONSULTATION

- 6.1. As part of the pre-planning application process the Council has consulted with stakeholders including residents. Several stakeholders' engagement meetings have been 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 2017 and April 2018. The consultation exercise has been carried out jointly by the Council and A2Dominion.
- 6.2. 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

7. EQUALITY IMPLICATIONS

- 7.1. Key equalities issues are considered below for different aspects of the project.
- 7.2. The Council has given due regard to its duties under Section 149 of the Equalities Act 2010 and key equalities issues are considered below for different aspects of the project.

Design & Planning Stage

- 7.3. *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 new co-production approach to planning. 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.

7.4. 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.

7.5. *Public Consultation & Stakeholder Engagement:* Staff, residents and over 20 local 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.

7.6. *The Neighbourhood Area* – Special discussions have taken place with the Riverside Gardens Estate TRA (a Council estate of 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

7.7. *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.

7.8. *Accessibility* – Contractors will be required to ensure that, during the construction phase, disruption of footpaths and other pedestrian thoroughfares is kept to a minimum and that alternative access routes to existing facilities and services are made accessible for groups with protected characteristics, such as disabled people.

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

8. LEGAL IMPLICATIONS

8.1. 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 accordance with Schedule 12A of the Local Government Act 1972.

8.2. The part of the site shown shaded purple on the attached plan (Appendix 2) is held in General Fund and the relevant power of sale would be S123 Local Government Act 1972.

8.3. The part of the site shown shaded yellow on the attached plan (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 under one of the following General Consents:

- a) 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. BNP Paribas are carrying out a financial analysis and paragraph 9.3 below notes that the delegated authority (if approved) will be subject to best consideration sign off;
- b) General Consent A3.2 permits 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. In the event that: (i) the General Consent referred to at paragraph 8.3(a) is not available; and (ii) the Council decides not to apply for specific consent then confirmation will be provided as to whether this General Consent applies to the land.

- 8.4. 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) 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 of disposals of land. 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.
- 8.5. 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**. There is also a regulation permitting *de minimis* State Aid although the level is limited to EUR200,000 over three years. As noted at paragraph 9.3 below, the delegated authority (if approved) will be subject to best consideration sign off and it is this assessment by BNP Paribas which will identify whether there is any undervalue and, therefore, any State Aid.
- 8.6. 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

¹ [Commission Notice on the notion of State aid as referred to in Article 107\(1\) TFEU](#)

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.

- 8.7. Planning permission and Listed Building Consent will be required to implement the proposals set out in the report. Applications for both matters are currently under consideration by the Council in its role as Local Planning Authority. Even if permission is granted it is possible that legal challenges may be brought to the grant of permission which may lead to delays in the implementation of the proposals set out in the report which will lead to increased costs.
- 8.8. The legal implications relating to the liability of the Council in the event of a default of the CLSA are dealt with in paragraphs 9.2 – 9.8 in the exempt part of the report.
- 8.9. *Implications verified by Adesuwa Omoregie, Principal Solicitor (Planning & Highways), TBD Regeneration, tel. 020 8753 2297.*

9. FINANCIAL IMPLICATIONS

- 9.1. The proposals in this report are subject to a full business that the Council is producing case including:
 - a value for money and affordability assessment by our external financial advisors, Deloitte
 - a best consideration assessment by the Council's advisors BNP Paribas. The best consideration valuation will need to be approved by the borough valuer. This should take account of the subsidy A2 Dominion will put into the project (amount to be confirmed with A2Dominion) and any level of Right to Buy 141 grant funding from the Council.
- 9.2. The full business case will need to be reviewed by the Council's external Financial Advisors for this project, Deloitte.
- 9.3. This report asks for delegated authority to finalise negotiations on in order to enter a CLSA with A2Dominion subject to:
 - The production of a satisfactory business case for the project that demonstrates the value for money, affordability, and financial benefits of the project
 - A review of the business case by external Financial Advisors on the project (Deloitte)
 - Receipt of tax advice from Deloitte
 - Satisfaction of Best Consideration, approved by the Borough Valuer
- 9.4. And noting that satisfying the conditions in the CLSA will require future approval of budgets and business case for those budgets in line with the Council's constitution and Financial Regulations.

9.5. It also asks for delegated authority to:

- agree the basis on which decant accommodation will be sought,
- identify suitable decant accommodation and pursue negotiations for the lease or purchase of this accommodation, agree heads of terms and thereafter to conclude documentation for the lease or purchase of decant accommodation.

9.6. This is to enable the decant of both the Town Hall and the Town Hall Extension.

9.7. Completion of a lease or purchase for the decant accommodation will require a future approval of budgets and business case for those budgets in accordance with the Council's constitution and financial regulations

Cost exposure in the event of default on the CLSA

9.8. These are set out in the exempt part of the Cabinet agenda under paragraph 9.2 to 9.8

Existing budgets and Immediate Budget requirements

9.9. 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.

9.10. The Cabinet Report of 5th March 2018 authorised a further budget of £360,000 for project costs and the following enabling budgets, with a delegated authority being given to determine the exact split of the budgets:

- IT Projects manager and IT Network consultant: £171k
- Specifications Manager (decant and new office specification) £79k
- Relocation of ICT infrastructure hub £700k
- CCTV Relocation £240k
- Parking Wardens and CCTV relocation £150k
- Customer Services Centre Consolidation £350k
- Careline relocation £20k
- Parking relocation and rationalisation £50k

9.11. Giving total budgets agreed to date of £2.37m. Actual expenditure to 31 March 2018 was £233,450. The March 2018 Cabinet Report set out the funding source for the total expenditure would be a combination of reserves and / or s106.

9.12. This report seeks approval for additional budget below of £476,000 to enable the next stages of the decant preparations to progress:

Enabling Budgets	Value
Programme Management for enabling project: June to March 2019	£116,000
Transition Co-ordinator (Moves and declutter): Aug to March 2019	£80,000
Moves and Logistics Manager: Aug to March 2019	£80,000
Total decant enabling costs requested	£276,000

Financial advice on development of final business case	£100,000
Completion of survey and technical work on existing Town Hall	£100,000
Total budgets requested in this report	£476,000
Budgets approved in previous cabinet reports: project costs	£610,000
Enabling projects for decant previously approved by Cabinet on 5 th March 2018	£1,760,000
Total budgeted costs to date	£2,846,000

- 9.13. This means that total budgets agreed to date on this project, assuming the approval of this report, will be £2.846m. It is proposed that the extra budgets of £476,000 now required be funded from the Corporate Demands and Pressures Reserve.
- 9.14. Provision to fund the full £2.846m will thus be initially set aside from Reserves. Assuming the project progresses some costs, subject to compliance with Capital Finance Regulations, may be capitalisable as they enable vacant possession². All expenditure and funding sources, including section 106,³ will be reviewed following agreement of the business case.
- 9.15. However, should the project not progress (for example if a satisfactory unchallengeable planning permission was not achieved) all costs will need to be written off against Reserves save where they potentially relate to the permanent relocation of a service, such as that for elements of the ICT infrastructure and the CCTV. If there is a challenge to the planning permission or it is called in project costs would increase.
- 9.16. The capital costs cannot be funded from Housing Capital receipts⁴, however the Housing Revenue Account can be recharged for an appropriate share of the revenue costs. The amount rechargeable will depend on the space occupied at the time by staff who are charged to the HRA but is likely to be between 9.5% and 12% of the revenue costs.⁵
- 9.17. Total project costs are still fluid as a number of different elements, such as the refurbishment of the Town Hall, are being worked up in more detail. The final land receipts and estimated profit share under the agreement are also still being fully assessed.
- 9.18. The overall costs, funding for, receipts from and affordability of the project will be considered as part of the approval of the business case and budgets in accordance with the Council's constitution and financial regulations prior to

² Note this would only include the costs of moving services and would not include any ongoing rental or running costs

³ This may also include reviewing the s123 CIL list

⁴ As the capital costs are for Council Offices not Housing but the HRA can pay a share of the capital financing charges

⁵ Note this is likely to change in future years as the proportion of staff Council staff who are charged to the HRA varies over time.

the Council entering into the CLSA. This will include satisfaction of best consideration, approved by the Borough Valuer.

Taxation

9.19. While the lawyers have been giving thought to the tax implications when structuring the draft agreement, the council will need to obtain detailed tax advice before finalising any conditional land sale agreement. This will need to be considered as part of the value for money and affordability assessment in the full business case. Therefore, Deloitte, who are acting as our Financial Advisors for this project, 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 reasonableness or otherwise of the tax assumptions and, if relevant, refer to potential alternative structuring ideas which may improve the tax efficiency.

9.20. Their advice will need to be considered and addressed before the conditional land sale agreement is entered into.

9.21. In addition to the advice provided that directly relates to this Cabinet decision Deloitte's will be advising on 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

Financial stability and financial strength of the contracting party

9.22. 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.

9.23. The judgement also covered A2Dominion Homes Limited (who we understand 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 CLSA 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.

9.24. As set out in this report the CLSA will also contain provisions that ensure A2 Dominion maintain its financial and governance standing with the regulator (Homes England) – should they be downgraded below acceptable levels (lower than G2 for governance and V2 for viability) then the Council would have the right to review the CLSA and the management arrangements.

- 9.25. A Creditsafe check has 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. Their 2017/18 accounts are expected to be published by the end of July 2018.
- 9.26. These checks, especially the creditsafe score, rely on historic performance, which isn't necessarily a guide to the future.
- 9.27. Our Financial Advisors for this project, Deloitte, have been asked to comment on the financial stability and strength of the contracting party and a full report should be fully considered before and form part of the delegated decision to enter into the CLSA.
- 9.28. This must cover:
- 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.
- 9.29. This report should be refreshed on a regular basis on an annual basis and ad hoc as required.

Financial Risks

- 9.30. The main risks are set out in the risk management section of this report, however a lot of these potentially have a financial impact.

Risk of scheme not proceeding

- 9.31. As set out in [paragraphs 9.2 to 9.8] in the exempt Cabinet agenda and [9.9 to 9.18] as set out above, there are cost risks to the Council should the scheme not proceed. At the time of writing these are limited to the amounts spent to date which as at 31st March 2018 were £255k. However, this risk will increase as the scheme progresses and as more budgets are agreed and commitments entered into. These risks should continue to be carefully managed.
- 9.32. Cost exposure based on the budgets proposed in this report and those already agreed is £2.846m.
- 9.33. If the scheme didn't progress although the Council would retain control of the design information if the CLSA was signed, it's likely that in some circumstances all or part of these costs would be a revenue charge to the

Council. For this reason, it is currently proposed to fund the initial budgets of £2.846m from reserves as set out in 9:19 and 9:20 above.

- 9.34. Any amounts written off to revenue could be shared with the HRA, as set out previously in this report, this could account for between 9.5% and 12% of the costs. If the design information and some of the work benefited a future scheme then relevant amounts currently capitalised would remain capitalisable.
- 9.35. Therefore, it's important the Council carefully assesses and controls costs at each stage of the process. Total project costs are still fluid as a number of different elements, such as the refurbishment of the Town Hall, are being worked up in more detail. The final land receipts and estimated profit share under the agreement are also still being fully assessed. While it's understood there's a desire to ensure speedy delivery of the project this needs to be carefully balanced with moving at too fast a pace and incurring too many costs at risk. For example, if the Council were to sign up to rent decant accommodation (and therefore incur rental costs) before there was an unchallengeable planning permission including listed building consent the Council could be exposed to significant revenue costs.
- 9.36. *Financial Implications Completed by Kathleen Corbett Director of Finance (Growth & Place), tel. 020 8753 3031,*

PROPERTY IMPLICATIONS

- 9.37. H&F have appointed external property advisors that have provided valuation advice for the proposals. In addition, BNP Paribas will provide advice on best consideration for the scheme as well as valuations under s123 Local Government Act 1972.
- 9.38. BNP Paribas will also advise the Council on the detailed conditional land sale agreement
- 9.39. The property team will manage with Frost Meadowcroft, heads of terms for decant accommodation and provide expertise and advice that will help shape the final lease terms for a future Cabinet report.
- 9.40. *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 Local Planning Authority through the S.106 agreement could 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. As the proposals involve the temporary decant of staff from both buildings this could reduce the footfall in the area for local businesses. While the presence of a significant number of construction workers will compensate for some of this, the Council will develop a mitigation strategy to support businesses on West King Street during construction.
- 10.4. *Implications verified by David Burns, Assistant Director – Growth, tel. 020 8753 6090.*

11. COMMERCIAL AND PROCUREMENT IMPLICATIONS

- 11.1. The legal advisors Gowling WLG have advised the council that the decision to engage with a partner through 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, will not be classified as a public works contract and in accordance with the Public Contracts Regulations (PCR) 2015.
- 11.2. However, the town hall itself never transfers to the partner and as stated in 4.7 of this report, the costs for the refurbishment of the existing town hall remain the Council's costs therefore any procurement under that element of the project will need to comply with legislative requirements and the Council's Contract Standing Orders.
- 11.3. A separate procurement strategy for the refurbishment project will need to be presented to cabinet by the project lead in a timely manner and build in sufficient time to undertake any procurement process required. Commercial and Procurement will offer support and guidance throughout any procurement process.
- 11.4. *Implications verified by: Joanna Angelides, Procurement Consultant, tel. 0208 753 2586 on behalf of Simon Davis*

12. IT IMPLICATIONS

- 12.1. The decant from HTH and HTH extension will be enabled by the delivery of the new Desktop Strategy, which is due to complete by end April 2019. The new strategy will provide each member of staff with a mobile device, such as a convertible tablet or a laptop, and a mobile phone. This will enable Officers to work from any location, both on and away from the council's network.
- 12.2. The programmes for the West King Street Renewal and the Desktop Strategy recognise the interdependencies that exist between them. It has been agreed that a single joined-up change management programme will support both programmes of work and the Senior Responsible Officer for

both programmes is the Director for Corporate Services. This will drive a consistency of approach and joined-up management of the interdependencies.

- 12.3. 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.
- 12.4. Skype for Business will support video conference calls, as well as the voice conference calls that are already available.
- 12.5. 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.
- 12.6. 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.
- 12.7. 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.
- 12.8. As described in the paper, 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.
- 12.9. All moves relating to services, such as the network hub and CCTV, should be moved as soon as practical to minimise the risk of decanting HTH and HTH extension at the point the people need to move to the new decant locations.
- 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 IMPLICATIONS

- 13.1. There are several risks associated with a scheme of this size and complexity.
- 13.2. The primary risk at this stage in the process is obtaining planning consent. An application has been submitted to the Council's planning service and the listed building element will be referred to Historic England for consultation.

Historic England have the right to object and could direct refusal of the listed building consent if they are not happy with the proposal. This could result in changes to the design, which would delay the programme.

- 13.3. The Council and A2 Dominion are mitigating this through careful consultation with Historic England and regular review of planning risks. Client and planning officer meetings have been established to work through any issues that Historic England may make.
- 13.4. Resident consultation has been very successful with over 500 attendees at the planning consultation events. Learning from the objections to previous schemes, the scheme design, height, and mass has been adapted to recognise those concerns.
- 13.5. If changes are required, the design team is ready to amend the planning applications and the project team will keep the programme under review to ensure project delivery. It is possible for the non-listed elements of the permission to move forward if there any issues to resolve with the listed building element.
- 13.6. Some of the other key risks highlighted below are:

Risk	Impact	Mitigating Action
Programme delay in construction prevents delivery of the addition to the town hall and opening of refurbished offices	Council must continue in temporary accommodation with additional costs accruing to the Council	The CLSA includes LADs for delivery failure against the programme, and costs are passed on to A2 Dominion
Historic England object to detailed refurbishment proposals and delay scheme completion	Costs escalate and programme is delayed	A specific technical consultant is being procured to specify the detailed works, and who will work closely with Historic England and the contractor on the detail of the design
The Council agrees to lease temporary accommodation but does not complete the CLSA, and the proposed scheme does not begin	Council has expenditure on a temporary office with no clear replacement office	The Council will have developable assets in the form of a vacant THX, Cinema site and Car Park which it can progress through demolition and implementation directly should it need to
The scheme is not financially viable due to cost increase or value falls	Scheme cannot proceed	CLSA includes provisions for resolving viability problems, but also sets a minimum acceptable land value against which the Council will not proceed with the sale and will seek alternative arrangements

A2 Dominion are unable to find purchasers for the cinema and the office site	Financial viability of scheme is impact and profitability reduces	Advance negotiations with cinema operator and with office purchasers have already started. As a back stop the Council can choose to purchase the cinema and the office as an investment asset.
Brexit or other world financial events affect the sales market	Unable to dispose of units undermining financial viability	The units will be bulk sold as PRS, eliminating the sales risk.
The Quakers meeting site is not delivered on programme, preventing land swap from happening	Construction on the site of the Quakers meeting house is delayed and financial viability is affected	The Quakers site is discrete and the remainder of the development can proceed unhindered, with simply a delay to completion of the block in that location.

13.7. **Measures to mitigate Risk:** Officers have considered the risks associated with the various stages of this programme, as set out above, 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.

13.8. 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.

13.9. The report sets out the future reports to Cabinet which will be required to approve completion of a lease or purchase, and to approve necessary budgets to enable the programme to be delivered, subject to the demonstration of a viable business case which will incorporate external financial and technical advice. The future business case to be provided to Cabinet, Members will set out the costs and benefits associated with the proposals including an assessment of the costs associated with the key risks to completion of the programme.

13.10. Given the significance, value and complexity of the proposed programme, officers should set out the officer and member governance arrangements which will provide programme oversight and assurance and ensure that costs are appropriately controlled and key actions taken once appropriate consents and approvals have been confirmed.

13.11. *Implications completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance, tel. 020 8753 2927.*

14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

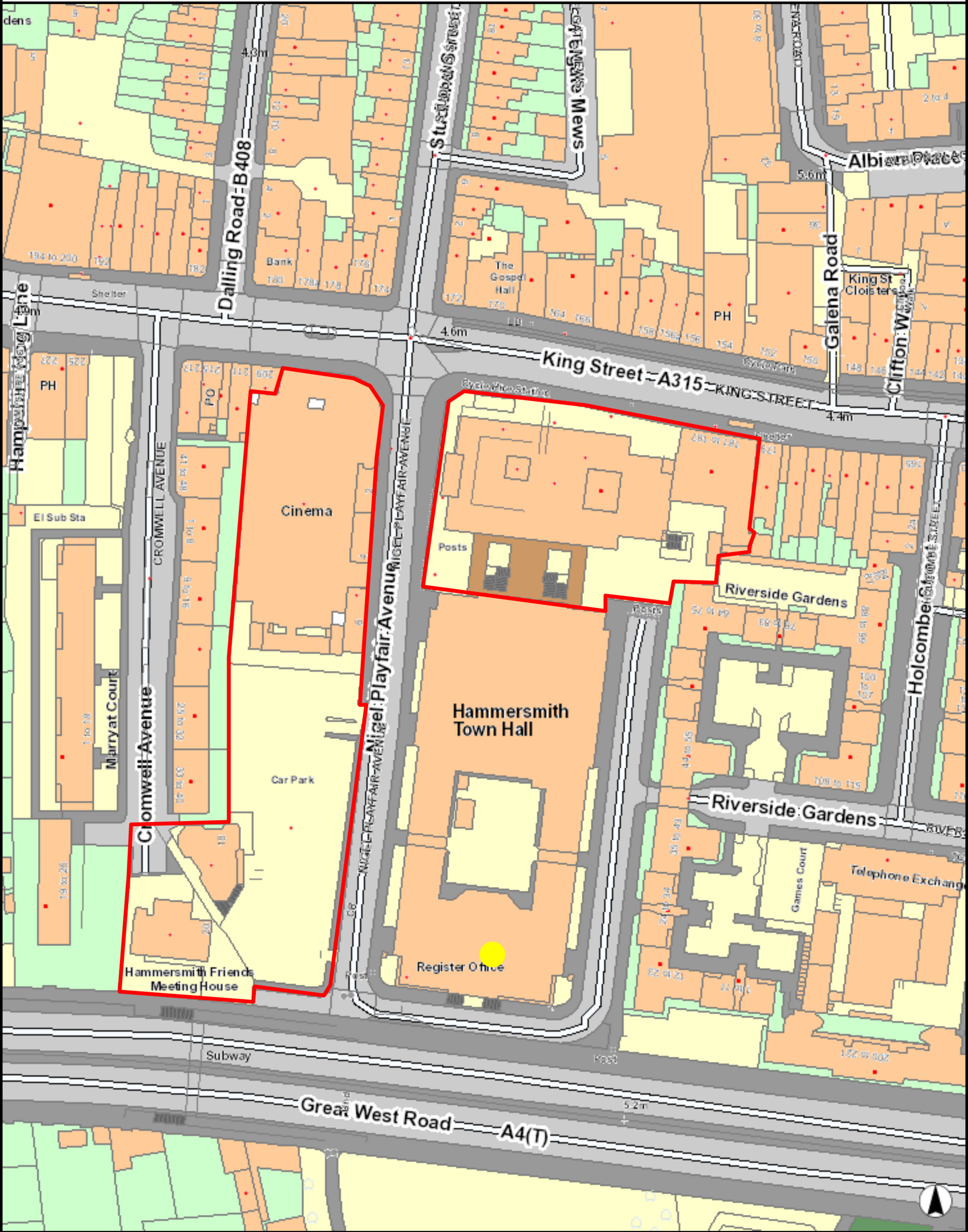
No.	Description of Background Papers	Name and contact details of responsible officer	Department/ Location
	None		

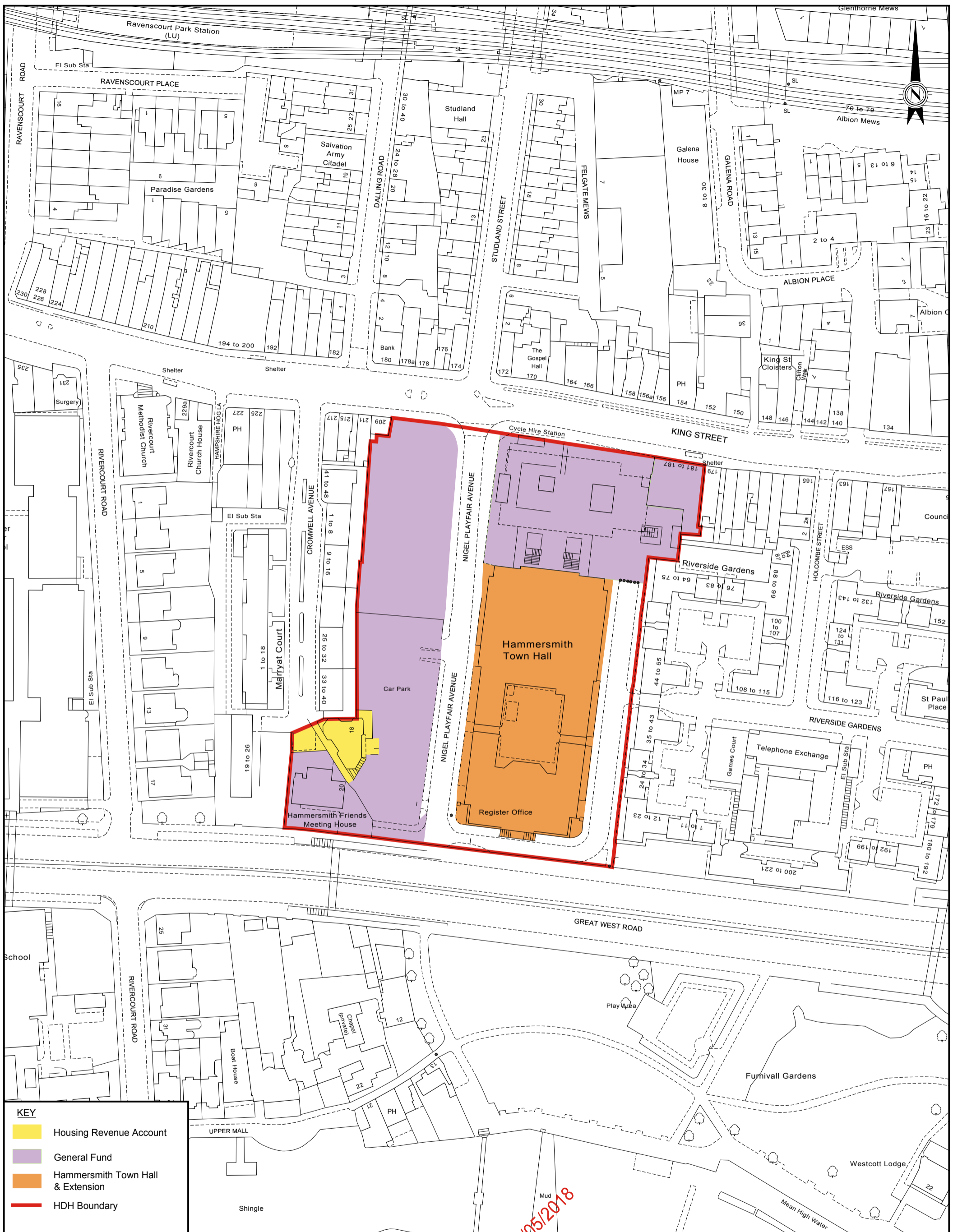
LIST OF APPENDICES

- APPENDIX 1. Red Line Plan**
- APPENDIX 2. Housing Land**

London Borough of Hammersmith & Fulham

Appendix 1 - Town Hall Appropriation Land





KEY

- Housing Revenue Account
- General Fund
- Hammersmith Town Hall & Extension
- HDH Boundary

LONDON BOROUGH OF HAMMERSMITH & FULHAM
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Drawn	Checked	Approved
WAS	-	-
Scale	Original Sheet Size	
1 : 1250	A3	
DWG No.	Revision	Date
58800/2/3	-	May '18

PROJECT


WEST KING STREET RENEWAL AND HAMMERSMITH TOWN HALL REGENERATION

DRAFT & UNCHECKED 31/05/2018

NOTES	Date	Rev	Init

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<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">9 JULY 2018</p>	
<p>ARK CONWAY PRIMARY ACADEMY SCHOOL – SECTION 278 HIGHWAY WORKS</p>	
<p>Report of the Cabinet Member for the Environment - Councillor Wesley Harcourt</p>	
<p>Open Report</p>	
<p>Key Decision: Yes</p>	
<p>Wards Affected: Wormholt and White City</p>	
<p>Accountable Director: Mahmood Siddiqi – Bi-borough Director, Highways and Parks</p>	
<p>Report Author: Michael Masella – Senior Engineer</p>	<p>Contact Details: Tel: 020 8753 3082 E-mail: michael.masella@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report seeks Cabinet approval to implement the Section 278 highway works for the new Ark Conway Primary Academy School on Hemlock Road and approval to spend the estimated cost of the highway works.
- 1.2. In June 2015 planning permission was granted for the erection of a part 1 and part 2 storey building for educational use, landscaping of remaining site including part of The Curve and Hemlock Road to create play areas in association with the use of the site as a school. (Reference 2011/02044/FUL)
- 1.3. The Heads of Terms set out in the S278 agreement included highway improvements on the two sides of the new school i.e. Hemlock Road, Lilac Street and The Curve.

2. RECOMMENDATIONS

- 2.1. To approve the implementation and estimated cost of the Section 278 highway works for the new Ark Conway Primary Academy School on Hemlock Road.

3. REASONS FOR DECISION

3.1. The value of the section 278 highways works has been estimated at £125,000. As this is over £100,000 a Cabinet decision is required.

3.2. The cost estimate breaks down as follows:

- Civils works £90,000
- Street lighting works £15,000
- CCTV works £20,000

4. PROPOSAL AND ISSUES

4.1. The highway works consists of the following improvements:

- Footway repaving the three sides of the new school with artificial stone paving including new street furniture
- A new street lighting outside the main entrance to the school on Lilac Street, the footpath connecting Lilac Street to the A40 and Hemlock Road (the new footpath) between Hemlock Road and the A40
- Repaving and widening of the footway between The Curve and the footpath connecting Lilac Street to the A40.
- Repaving and widening of the footway between Lilac Street and the A40.
- Reconstruction of footway in Hemlock Road as the new footpath link between Hemlock Road and the A40.
- Install new CCTV cameras outside the main entrance to the school on Lilac Street, the footpath connecting Lilac Street to the A40 and new footpath between Hemlock Road and the A40. Including installing all the necessary ducting for the camera cables.
- Removal of any redundant street furniture
- Changes to the existing waiting and loading restrictions that are required, including installing a new school keep clear marking for the main entrance to the school

4.2. The Section 278 highway works will take approximately 8 weeks to complete.

5. CONSULTATION

5.1. Consultation has been undertaken as part of the planning application process and permission has been granted for the new school. Any amendments to Traffic Orders will follow the procedural requirements set out in The Local Authorities Traffic Orders (Procedure) (England and Wales) Regulations 1996.

6. EQUALITY IMPLICATIONS

6.1. The Council has had regard to its' public sector equality duty contained in section 149 of the Equality Act 2010. Hammersmith and Fulham Action on

Disability (HFAD) will be consulted on the proposed highway works to ensure that there are no negative implications for Disabled people arising from the works. It is anticipated that the repaving and widening of the footway should enhance accessibility for wheelchair users.

6.2. *Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.*

7. LEGAL IMPLICATIONS

7.1. Section 278 of the Highways Act 1980 enables the Council acting in its capacity as “Highway Authority” to enter into agreements with third parties to undertake alterations or improvements to the public highway at the developers own cost and expense.

7.2. The pre-conditions for an agreement under section 278 are firstly that the Local Authority should be satisfied that it will be of benefit to the public to enter into the agreement for the execution of the works by the authority and secondly that the works must be such that the Local Authority are authorised to execute, i.e. they must fall within the highway authority’s powers of road building, improvement or maintenance.

7.3. The Council entered into a Section 278 (Highways Act 1980) agreement on 11 June 2015.

7.4. *Implications verified/completed by: Poonam Rajput, Solicitor, tel. 020 8753 6378.*

8. FINANCIAL IMPLICATIONS

8.1. The Council has received Section 278 funding to cover the cost of the highway works which is capped at £125,000. It cannot therefore be assumed that additional funds can be found over this allocation. Officers will manage the scope of the works to ensure that expenditure is contained within the funding received.

8.2. *Implications verified/completed by: Gary Hannaway, Head of Finance, tel: 0208 753 6071.*

9. IMPLICATIONS FOR BUSINESS

9.1. The proposed highway improvements include footway and carriageway repaving works and new street lighting will be carried out by the Council’s term contractor FM Conway Ltd. The CCTV cameras will be supplied and installed by Chroma Vision, a Council term contractor.

9.2. Local businesses will have been consulted via the planning process and they will be notified by letter when the works will commence on site.

9.3. *Implications verified/completed by: Billy Seago, Work Matters Manager, tel. 020 8753 5242.*

10. COMMERCIAL IMPLICATION

10.1 The Council already holds a contract with FM Conway Ltd. for highway improvements services.

10.2 The CCTV cameras will be supplied and installed by the Council's current contractor, Chroma Vision.

10.3 Therefore, there are no procurement implications.

10.4 The Council has received Section 278 funding to cover the costs of the proposed works. The funding is capped at £125,000.

10.2. *Implications verified/completed by: Andra Ulianov, Procurement Consultant, el. 020 8753 2284.*

11. IT IMPLICATIONS

11.1. There are not IT implications contained within this report.

11.2. *Implications completed by: Quentin Brooks, IT Service Management, tel. 020 8753 6214.*

12. RISK MANAGEMENT

10.1. Highway works and street lighting improvements will contribute to the health and safety of the local area in accordance with corporate risk management objectives and the needs and expectations of our residents. Additionally, installation of CCTV improves security of the immediate area and is to be managed in accordance with governing legislation and in connection with the Council's information management policies.

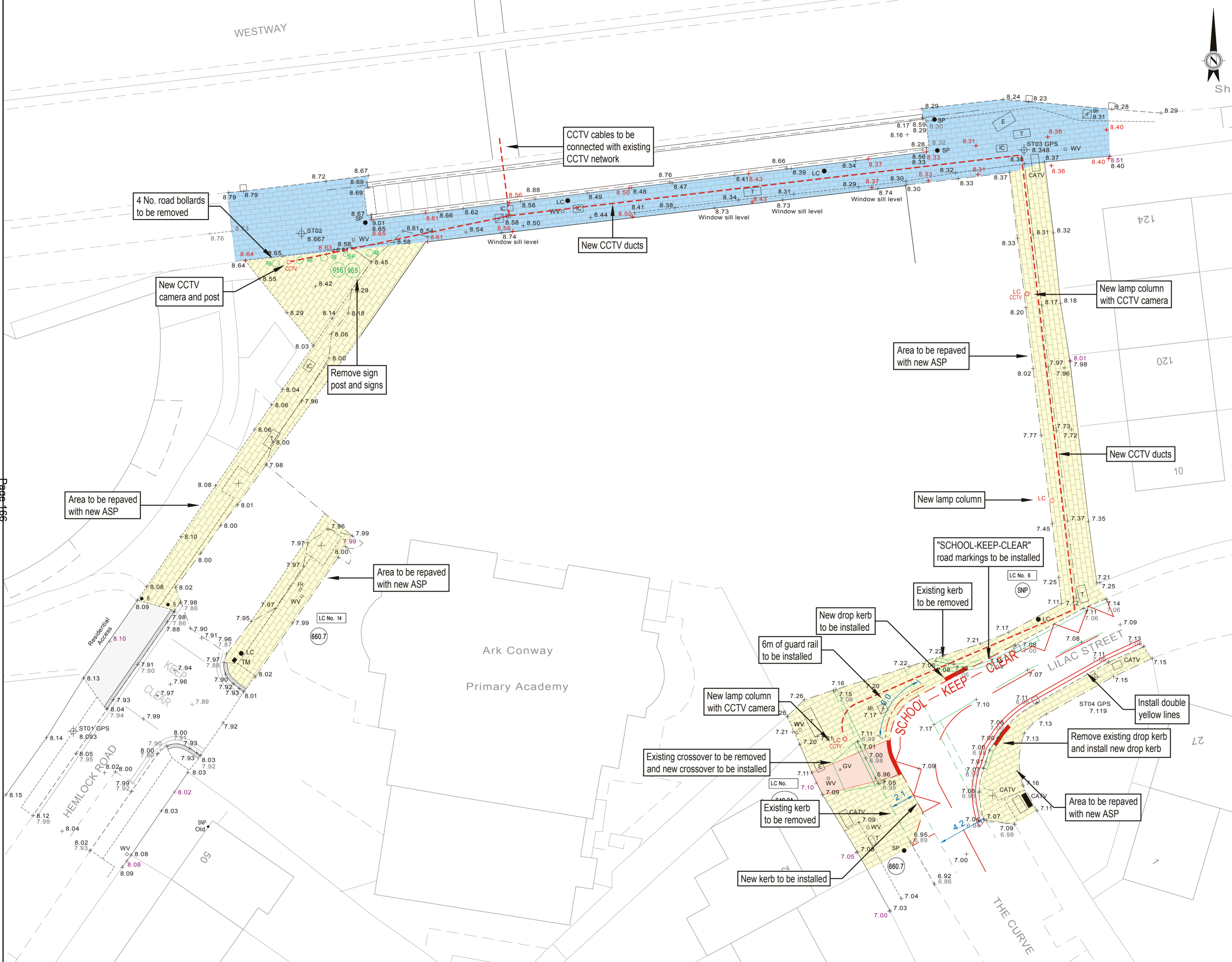
10.2. *Implications verified/completed by: Michael Sloniowski, Risk Manager, tel. 020 8753 2587.*

13. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
	The new Ark Conway Primary Academy School - Section 278 Agreement - published	Michael Masella ext:3082	Transport and Highways

LIST OF APPENDICES:

Appendix 1 - Drawing No. 80567_10_3



Page 166

Devised and created by the Land & Asset Survey Team.
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NOTES
Levels relate to Ordnance Datum Newlyn.
Determined by GPS RTK using the OSGM02 model.

- LEGEND**
- B Bollard
 - CATV Cabinet Cable TV
 - Crossover
 - - - Dropped Kerb
 - GV Gas Valve
 - Guard Railing
 - Gully
 - CATV Inspection Cover (Cable TV)
 - T Inspection Cover (Telecom)
 - IC Inspection Cover (Unspecified)
 - LC Lamp Column
 - MH Manhole (Square)
 - Parking Bay
 - RB Road Bollard
 - SP Signpost
 - ST Survey Station
 - TM Ticket Machine
 - T Tree
 - WV Water Valve
 - Yellow Line
 - Single Yellow Line with Terminal
 - Double Yellow Line with Terminal
 - Kerb Level (Black)
 - Carriageway Channel Level (Grey)
 - Property Threshold Level (Purple)
 - 664 Traffic Sign

- DESIGN KEY**
- Area to be Repaved with ASP
 - Area to be Repaved by TIL
 - New CCTV Ducts
 - Design Level
 - All Proposed Detail Shown in Red
 - All Detail to be Removed Shown in Green

Notes	Date	Rev.	Init.


	Init.	Date
Surveyed	-	-
Designed	MM	May '18
Drawn / Traced	BPD	May '18
Checked	WAS	May '18
Approved	MM	May '18

Scale	Original Sheet Size
1 : 200	A2

LONDON BOROUGH OF HAMMERSMITH & FULHAM
TRANSPORT & HIGHWAYS
 TOWN HALL, KING STREET
 LONDON, W6 9JU
 Telephone 020 8748 3020

PROJECT
HEMLOCK ROAD & THE CURVE
 (ARK CONWAY PRIMARY ACADEMY)
 LONDON W12
PROPOSED DESIGN

Drawing Status:	-
DWG No.	80567/10/3
rev.	-

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>9 JULY 2018</p>		
<p>UPGRADE OF CARELINE SERVICE'S COMMUNITY ALARM MONITORING SYSTEM TO A DIGITAL PLATFORM</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>Consultation</p> <p>Officers responsible for the management of the council sheltered housing stock</p>		
<p>Wards Affected: All</p>		
<p>Accountable Director: Lisa Redfern – Director Social Care</p>		
<p>Report Author:</p> <p>Tim Lothian, Procurement Officer Hammersmith and Fulham Adult Social Care</p>	<p>Contact Details:</p> <p>020 8753 5377 tim.lothian@lbhf.gov.uk</p>	

1. EXECUTIVE SUMMARY

- 1.1 Hammersmith and Fulham's Careline Service has been providing a lifeline alarm call monitoring service, alarm installation service, emergency mobile response service and out of hours services for residents for a significant number of years. It is currently based at Hammersmith Town Hall and is one of only two such services in London, which apart from its very important call handling and monitoring service offers a call out service to residents too. When a person has an accident, including falling, officers can go out and provide immediate assistance. Careline is a vital emergency service for vulnerable residents. Careline also complements and supports the Emergency Duty Social Work Service. It enables the work of the emergency duty social work team to be more effectively targeted which contributes

to keeping the activity levels and costs of an expensive social work resource lower and thereby achieving greater value for money.

- 1.2 For over ten years the Careline operation has used a Legrand Answerlink Alarm Monitoring Solution through which all community lifeline alarm, peripheral and telephony communications/activations are facilitated. The technology which supports the vital Careline system is now outdated.
- 1.3 Whilst this Answerlink solution has been reliably and efficiently supported by Legrand over the life of the installation, it is an analogue solution which lacks the capacity and capability to adequately handle emerging 'technology enabled care' solutions. This functionality is increasingly important as assistive technologies play a more significant role in supporting independent living for ageing communities.
- 1.4 The Careline Service monitors emergency lifeline alarms 24/7, 365 days a year, and there is a 'disaster recovery' [DR] site set up in the south of the borough, in case the Town Hall must be evacuated in an emergency. Decanting to the disaster recovery site imposes down time on the service as staff must travel from one site to the other and 'back up' the data before they can commence call handling. This can delay the resumption of service for an unacceptable time and carries the risk of missing a life-threatening emergency call during the interim period.
- 1.5 The 'backing up' of data requires a USB memory stick to transport confidential customer details from one site to another. As the DR site does not update in real time this creates an additional risk in terms of data management. The proposed upgrade would eliminate this risk and provide far greater data protection.
- 1.6 The Council's Housing Department is planning an upgrade of community alarm equipment across the Council's sheltered housing stock. The full functionality and capability of that equipment in enabling prolonged independent living and promotion of intelligent interventions relies on a monitoring centre that can facilitate and communicate with the upgraded digitally enabled equipment in schemes as well as peripherals that could be added in the future. The proposed upgrade to a digital platform will enable the benefits of the investment within the Sheltered Housing stock to be fully realised.
- 1.7 The report is recommending a direct award of contract to Legrand Electric Ltd on the basis that it is a niche market. It is considered that by exposing the requirement to commercial competition any savings that might be achieved would be offset by the procurement costs, which could be in the region of £100,000. There is an urgent need to implement an upgraded system and to conduct a full tender procedure would delay this further.
- 1.8 There have already been delays in the passage of the report due to purdah and the need to obtain specialist advice to support the report's recommendations. Until an upgraded system is implemented the risk to vulnerable residents will remain if the Town Hall is evacuated and the service has to relocate at Bagley's Lane Depot.

- 1.9 This report requests that a waiver of the Contract Standing Orders be approved by the Leader and appropriate Cabinet Member to enable the Cabinet to approve the direct award of contract on the basis that it involves expenditure above £100,000.

2. RECOMMENDATIONS

- 2.1 That in accordance with Hammersmith & Fulham Contract Standing Order 3.1 a waiver of the requirements of the Contract Standing Orders to competitively tender the proposed contract be approved by the Leader and appropriate Cabinet Member on the grounds that it is in the council's overall interest as detailed in the body of the report.
- 2.2 That in accordance with Hammersmith & Fulham Contract Standing Order 17.3.2 Cabinet awards the contract for the upgraded provision and ongoing maintenance to Legrand Electric Ltd. to regularise the current service provision through a sustainable contract while significantly enhancing the service and eliminating the risks inherent.

3 REASONS FOR DECISION

- 3.1 Most people want to stay in their homes for as long as possible. The Council and its customers demand value for money but still expect service levels to be maintained and demonstrate continuous improvement.
- 3.2 There is an opportunity to provide excellent 24/7 services in Hammersmith and Fulham for the foreseeable future and further develop the service into a developing business able to partially if not entirely support itself by providing services to other local authorities, registered social landlords and private fee payers. Investment in the service will provide opportunities to develop ground-breaking initiatives with Health care colleagues.
- 3.3 A waiver of the Contract Standing Orders is required to enable the Cabinet to approve the direct award of contract.
- 3.4 The direct award of contract will enable the current situation to be regularised through a sustainable contract while significantly enhancing the service and eliminating the risks inherent with the present analogue system.

4 BACKGROUND

- 4.1 The LBHF Careline Service provides technological and operational support to a range of solutions enabling people to remain at home with independence and security. Offering these solutions to older and vulnerable people and those with a disability, Careline prevents unnecessary admissions to hospital and residential care by assisting with timely and rapid interventions.
- 4.2 The service also helps to protect victims of harassment, domestic violence, and bogus callers. It can help with the management of long term conditions and dementia and can play an invaluable part in managing physical and learning disabilities, and sensory impairments.

- 4.3 The current technical solution being relied upon to deliver this service is rapidly becoming outdated and unfit for purpose, having been in place for more than ten years. The LBHF Careline monitoring solution currently in place supplied by Legrand is fundamentally using old technology. New solutions and technologies will need to work on a digital platform rather than the current analogue platform.
- 4.4 When the Town Hall is evacuated, including for routine incidents such as fire drills the service is inoperable meaning emergency calls can no longer be monitored and/or taken until either an officer gets to the DR site or the evacuation situation ends and officers can return to the monitoring centre. During this period there is a significant risk that a lifeline call could be missed or lost. Major breakdowns to local infrastructures, such as the recent burst water mains, have meant evacuations of the Town Hall being more frequent.
- 4.5 The upgrade would provide a digitally capable solution that would virtually future proof the service for the next five years, using an 'open protocol' that would explore the full range of solutions available in the market place. It would also transform the ability to maintain service delivery through service interruptions; thereby reducing the risk to life and safety of the council's community alarm customers, which currently number approximately 3,500.

5 PROPOSAL AND ISSUES

- 5.1 It is proposed to upgrade to a new digital software solution and host the new Careline software on the Council's Corporate IT infrastructure and associated hardware. This will allow the Careline software to be accessible on corporate PC's, thus creating efficiencies for Careline by having fully supported desktops for operators and the ability to share and/or integrate data with corporate applications such as email.
- 5.2 This deployment method and approach has been implemented by other local authorities and housing associations and as such is tried and tested. Furthermore, our existing provider Legrand, operating as a business unit of Legrand Electric Ltd, has already implemented similar solutions with customers who like the council use BT IT Services as their IT provider.
- 5.3 The proposal involves migrating data to a more resilient high availability design solution which will provide improved business continuity. This solution involves migrating to a Primary and Secondary Server model, each located in LBHF Primary and Secondary Data Centres.
- 5.4 Details of the proposed system are included at Appendix 1.

6 OPTIONS AND ANALYSIS

6.1 OPTION 1 - "DO NOTHING"

PROS

- There is no financial outlay

CONS

- None of the benefits outlined in table below
- The service will become redundant as it loses pace with developments in technology and the increasing use of digitally enabled solutions rather than analogue ones
- Some of the current equipment is so outdated/obsolete, they represent another high risk if there's a fault/repair and parts cannot be found/located.
- The investment in technology in sheltered housing will not be fully realised as the existing set up provides limited functionality and capability
- No digitally enabled solutions can be trialled or adopted in the borough in relation to Technological Enable Care services.

6.2 OPTION 2 – Do Nothing and Outsource the Service instead

- **PROS**

- Far less forward planning required
- No investment required
- Probable reduction in staffing and associated service related costs
- Pass on risk [but not accountability]

- **CONS**

- A reduced service offer as likely to have to conform to an existing service offer as a small part of a bigger more universal offer to many clients [e.g. Tunstall]
- Loss of local knowledge/expertise and the bespoke service to the residents of LBHF and loss of associated collaborative working across services.
- Impact on other services through lack of local knowledge, e.g. Homelessness and Out of Hours No replies.
- A change request and added costs every time service is reviewed or wish to introduce new technology
- Would have to commission an external provider to provide current additional non-monitoring services including installation, repair and response services, out of hours homelessness service and no replies service to Adult Social services/meals on wheels service.
- May not deliver savings as would have to pay a third party to deliver additional reporting functionality.

6.3 OPTION 3 – Upgrade system and invest in new monitoring solution

- **PROS**

- All the benefits as outlined below in table
- Additional running costs for technical advancements negligible as service contract costs will remain relative.
- The chances of losing a life due to the service being inoperative significantly reduced
- Business Development opportunities can be explored to bring in new business and thereby grow the service.

- Investment in the service will make it easier and more justifiable to review charging in general for existing clients to increase service income, and to attract new business
- **CONS**
- This is set out in the exempt part of the Cabinet agenda

6.4 All options and an analysis of this subject have been fully considered in the earlier sections of this report. The benefits of the proposed system are summarised in the table at Appendix 2.

7 CONSULTATION

7.1 The matters contained in this report have not necessitated the need for any consultation.

8 EQUALITY IMPLICATIONS

8.1 There will be no negative impacts on any groups with protected characteristics, under the terms of the Equality Act 2010, from this proposed upgrade of the Careline service's community alarm monitoring system.

8.2 Implications completed by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

9 IT IMPLICATIONS

9.1 This paper focuses on the reasons for selecting Legrand as the supplier to support the work of the Careline team. From an IT perspective the proposed Legrand solution offers many benefits over the current solution.

9.2 The current Careline system is running on a Windows platform that is no longer supported, and it is maintained directly by the third-party supplier. Resilience is provided by the manual copying of data using USB keys and transferring it to a standby system at another location outside of Hammersmith Town Hall.

9.2 The proposed solution will run on corporate infrastructure with built-in resilience to remove the need for the manual copying of sensitive data. IT Services will work with the Careline service and the third-party supplier to validate the design of the new IT system, and support implementation and testing. There will be implementation and running costs which will be confirmed as part of the design.

9.3 IT implications provided by Veronica Barella, Chief Information Officer, tel. 020 8753 2927.

10 LEGAL IMPLICATIONS

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

11. FINANCIAL IMPLICATIONS

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

12. PROCUREMENT IMPLICATIONS

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

13. RISK IMPLICATIONS

13.1 Risk management continues to be a day to day requirement for Adult Social Care given the complexity of adults with care and support needs and the proposals are in line with management of our Corporate risk 9, Standards and Delivery of Care. The implementation of suitable risk responses here form part of our corporate response by applying appropriate mitigating controls. The Careline Alarm system allows people to live at home. Knowing that in the event of a problem a trained individual is on the other end of the system and will deal with their issue in the most appropriate way. In terms of prevention, by providing an alarm monitoring service, people will feel less isolated and feel safer to stay in their own home. Any calls are dealt with in the right way, reducing the requirements for unnecessary calls to the emergency services. But likewise dealing with issues promptly and alerting family members or a carer so they can respond as necessary is in accordance with risk 12, Customer Needs and Expectations and maintaining Service Standards. Additionally, systems will have enhanced Disaster Recovery and Information Management resilience in accordance with management of corporate risks 6 and 7.

13.2 Risk Implications completed by: Michael Sloniowski, Principal Consultant (Risk Management), tel. 020 8753 2587.

14. IMPLICATIONS FOR BUSINESS

14.1 There are no implications on businesses in the Borough.

14.2 Implications completed by Albena Karameros, Programme Manager, Economic Development Team, tel. 020 7938 8583.

15. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

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

LIST OF APPENDICES:

- APPENDIX 1: Details of proposed system**
- APPENDIX 2: Table of benefits of proposed system**

APPENDIX 1: Details of proposed system

1. The proposal would:

i) Employ new servers and voice recorder(s) with the latest Microsoft operating systems to be supplied and supported by LBHF's IT Service provider (alternatively Legrand can provide this);

ii) Provide ISDN30 telephone circuits in both LBHF Data Centres and so that information can flow appropriately to the nominated servers for the new software and upgraded equipment; iii) Provide an identical number of telecoms channels for the Primary & Secondary Server's. This will allow the alarm monitoring system to operate at full capacity when the second server is utilised; and iv) Integrate the Primary & Secondary Servers with the LBHF corporate PBX to route call audio to operators' corporate telephone handsets. This solution will allow the proposed new digitally enabled alarm monitoring to be handled on any Client PC on the corporate network location/premises. This will allow the Careline Service to continue to operate at full call handling capacity if the control room has to be evacuated or in the event of a Primary Server, Data Centre or ISDN30 telecoms failure.

2. Careline staff will require corporate PC's and telephone handsets to access and handle calls on the proposed platform.

3. BHF IT Service provider are confident they have resilient data links between their data centres and Client PC's. It is considered there would no longer be a need for a set up similar to the existing standalone DR system. This would release accommodation at Bagleys Lane back to Corporate Property.

4. The rationale for making a direct award of contract to Legrand Electric Ltd and not exposing the requirement to commercial competition is set out below:

i) There is price certainty enabling accurate financial planning.

ii) Legrand Electric Ltd has a proven track record of providing a competitively priced and responsive support to the council. They are fully conversant with the existing system and how a switch to a digital system can be implemented. Other providers would need to undertake preliminary work to obtain this level of knowledge which could incur additional charges.

iii) Other providers in the market generally provide solutions which work most effectively with their own products and are less reliable with those of their competitors. The Legrand model has been developed to work effectively and communicate with all makes of equipment.

iv) The Legrand open platform monitoring solution has a proven wide compatibility with new technological products which enables broad reporting functionality as a standard feature. Activity reports can be written by council staff as opposed to requesting them from the provider which would generally incur additional charges. The Legrand solution also has an integrated voice recording functionality. This enables quick access to voice recording for incident investigations, staff training and performance assessments.

v) Other systems can provide this functionality but generally not as a standard feature. Consequently, they would need to be ordered when required which would incur additional costs and take longer for them to be received.

vi) Confirmation that the Legrand system will be adopted will enable work to commence early with the Housing Department to assist them to achieve a smooth transfer to the Wi-Fi upgrade of system equipment they will be implementing later this year throughout their sheltered housing stock.

APPENDIX 2: Table of benefits of proposed system

	Benefit	Measurement	Expected date to be realised
1	Modern monitoring centre capable of digital functionality and operation/communication Will migrate from an analogue alarm handling platform to a digital platform, future proofing the service for years to come.	When upgrades take place in sheltered housing stock, monitoring centre will be able to facilitate full range of functions within technology on offer to enhance lives, maintain independence and enhance security	Analogue expected to be switched off by 2025, but Housing community alarm programme imminent and full functionality may not be realized with existing monitoring equipment in place beforehand.
2	Massively improved business continuity and reduced risk of missed calls	Down time for service will be significantly reduced if not eradicated and potential for loss of life due to missed calls significantly reduced	At inception of new solution
3	Old and potentially unreliable Server and PC hardware will be replaced. Unsupported and vulnerable operating systems will be replaced		At inception of new solution
4	System could be accessed remotely and securely to create even more efficiencies, e.g. field workers – assessors, installers, responders, Lone Workers	Smarter technology can be introduced to create efficiencies in work practice and improve productivity	At inception of new solution
5	Fully integrated with the corporate network creating efficiencies by sharing data and operators having one desktop PC.	Operators/Officers currently use at least 2 screens; this could be reduced to one.	At inception of new solution
6	Much easier and cost efficient to expand/grow the capacity of the solution with digital platform compared to analogue. Opportunity to now support additional monitoring services, e.g. SMS, GPS etc.		At inception of new solution

7	The service will have a platform fit to expand and grow the service. Secure remote access could be provided to 3rd. party partner organisations to view, edit and report on their client data only.	Development of the Careline business would present an opportunity to generate income for the Council and potentially reduce/offset some of the costs of Careline Service provision to Council Tenants.	Functionality will be at inception of new solution, but this is likely to be some months away to ensure new system is bedded in and fully operational and reliable as expected.
8	Solution implemented with the support of corporate IT, thus engaging their long-term support for future service expansion, and ensures solution is Public Services Network [PSN] compliant.		At inception of new solution
9	Disaster Recovery site can be almost anywhere and will always be up to date and using the most up to date data ...frees up some office space by returning DR site to Corporate Property to potentially generate new/additional income for the Council.	Depending upon supporting hardware purchased, reduced or no downtime for the service if centre location needs to be evacuated in an emergency. Business continuity assured.	At inception of new solution

Agenda Item 14

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>9 JULY 2018</p>	
WEST KENSINGTON AND GIBBS GREEN NEIGHBOURHOOD PLAN AREA AND FORUM DESIGNATION	
Report of the Cabinet Member for the Economy and the Arts, Councillor Andrew Jones, and the Cabinet Member for the Environment, Councillor Wesley Harcourt	
Open Report	
Classification - For Decision	
Key Decision: Yes	
Consultation Policy & Strategy, Procurement, Risk Management, Legal, Finance, IT, Economic Development, Audit, Fraud Risk and Insurances	
Wards Affected: North End	
Accountable Director: Jo Rowlands, Strategic Director, Growth and Place	
Report Author: Matt Butler, Head of Policy and Spatial Planning	Contact Details: Tel: 020 8753 3493 E-mail: matt.butler@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The Council has received an application from the West Kensington and Gibbs Green Community Homes (WKGCH), for: (1) the designation of a neighbourhood area to be known as the West Kensington and Gibbs Green Neighbourhood Area; and (2) the designation of the WKGCH as the neighbourhood forum for this area. The Application can be viewed at Appendix A.
- 1.2. The Council is responsible for deciding whether to designate the entire neighbourhood area as proposed, or a smaller area; and, whether the proposed forum should be granted neighbourhood forum status. The proposed area covers the West Kensington and Gibbs Green housing estates and community facilities. The proposed area boundary can be viewed at Appendix B.

- 1.3. Neighbourhood planning is guided by a range of legislation and national guidance that needs to be considered when deciding applications with the overall objective to support the neighbourhood planning process. The Council has followed the relevant regulations in terms of the process and in reaching the recommendations made in this report.
- 1.4. If the Application is designated, the neighbourhood forum will be able to start work on a neighbourhood development plan for the designated area. This is the earliest stage of the neighbourhood plan process. If a neighbourhood plan becomes adopted, it forms part of the Development Framework and relevant policies within the plan must be considered when determining planning applications within the neighbourhood area.

2. RECOMMENDATIONS

- 2.1. That Cabinet agrees to:
 - designate the proposed area as applied for; and
 - designate the proposed neighbourhood forum.

3. REASONS FOR DECISION

- 3.1. The Council has assessed the application in accordance with national regulation, the relevant law and guidance and has found the proposed area and forum to be considered appropriate for designation.
- 3.2. In summary, the proposed area is considered appropriate for the purposes of a neighbourhood plan. The area is considered cohesive in terms of physical appearance, community facilities and networks of community activity, and has natural boundaries. The decision to designate a neighbourhood planning application is a matter of judgement for the Council and officers consider that the approach followed is appropriate.
- 3.3. The second recommendation is to approve the neighbourhood forum application. It is the Council's responsibility to ensure the relevant conditions (see paragraph 4.23), as set out in the regulations, are satisfied. These include whether the purpose of the proposed forum is established for promoting or improving the social, economic and environmental wellbeing of the area, and has at least 21 individuals who live or work or are elected members in the area. The neighbourhood forum application is considered to meet the conditions.
- 3.4. The report sets out the detail of the decision and the considerations of the recommendations.

4. PROPOSAL AND ISSUES

- 4.1. This section provides an overview of neighbourhood planning and the relevant legislative background, the Council's responsibilities and the issues

considered in making the recommendations in the report. Each of the recommendations will be dealt with separately.

NEIGHBOURHOOD PLANNING BACKGROUND

- 4.2. Neighbourhood planning is a community-led process intended to shape and promote development at a neighbourhood scale and inform Community Infrastructure Level (CIL) spending. Neighbourhood planning was introduced by the Localism Act 2011 which introduced the planning powers and these have been embedded into subsequent legislation, which sets out the role and responsibilities of local planning authorities. Further guidance is also set out in the National Planning Practice Guidance (PPG), as to how to designate an area and forum.
- 4.3. Neighbourhood planning enables organisations and bodies within local communities to apply to be designated as a neighbourhood forum for a specified area. If a forum is designated in relation to an area it can then prepare a neighbourhood development plan and/or neighbourhood development order. Local planning authorities are required to support the process and there are a number of duties the local planning authorities are required to undertake. These include:
- consulting on a draft version of the neighbourhood plan,
 - organising with the forum independent examination of the draft plan, and
 - setting up a referendum on draft neighbourhood plan (if the recommendation of the examiner is that the plan should proceed to referendum).
- 4.4. The Council must also abide by a number of statutory timescales in relation to the neighbourhood planning process, and these are set out in the Regulations.
- 4.5. Only one neighbourhood area can cover one location and the application will usually be made by an organisation or body that is simultaneously seeking designation as the neighbourhood forum for the relevant area.
- 4.6. Neighbourhood plans can develop planning policies on land use, housing, identify local green spaces, design, and others. The policies must be developed in general conformity with national, regional and local planning policies. In LBHF, any neighbourhood plan would need to be developed in general conformity with the strategic policies in the Local Plan. The Local Plan identifies which policies are considered strategic and non-strategic for the purposes of neighbourhood plan-making.
- 4.7. There are several key stages in producing a neighbourhood plan:
- **Stage 1:** An organisation or body applies to the local planning authority to be designated as the neighbourhood forum for a proposed area.

- **Stage 2:** Once an application is submitted, a public consultation takes place. LBHF planning officers review responses and consider the area and forum applications and put forward a recommendation to the Cabinet.
- **Stage 3:** LBHF's Cabinet consider the recommendation and determine the applications.
- **Stage 4:** If designated, the neighbourhood forum can start production of a neighbourhood plan. The forum must consult on the plan before sending it to the Council for a further consultation and independent public examination.
- **Stage 5:** If found sound at examination the result of the examination is that the draft plan meets the relevant legal requirements the examiner will recommend that the draft plan should proceed to a referendum. The plan will be voted on in the referendum by those residing in the neighbourhood area, organised by the Council. The plan needs a 50% majority of those who vote for it to then be 'made' by the local planning authority. Once made, a neighbourhood plan becomes part of the statutory development plan and its policies must be considered, where relevant, in the determination of planning applications.

WKGG NEIGHBOURHOOD AREA APPLICATION

- 4.8. The WKGG application is at stages 1 - 2 in the process, set out above. The initial starting point in deciding a neighbourhood area is to refer to the Town and Country Planning Act 1990 (Annex 1), which identifies that in determining a neighbourhood area the Council must take account of designating the entire parish council area and any conflicting neighbourhood areas that have already been designated.
- 4.9. The first point is not relevant to the Council, as this is specific to areas where there are parish councils. In terms of the second point, there are no conflicting neighbourhood area boundaries and the Council has not received any subsequent neighbourhood area proposals, either.
- 4.10. Furthermore, the legislation identifies that if, the Council receives a valid application, the area or part of the proposed area is not already designated as a neighbourhood area and the Council is refusing the application as part of the area is not considered appropriate the Council must still ensure that part of the area is still designated.
- 4.11. In response to these criteria:
- officers are satisfied that a valid application has been made to the authority – Appendix A includes all the relevant information required to submit a neighbourhood area (and forum) proposal; and,
 - there are no other existing neighbourhood plan areas designated that conflict with the proposed area boundary.

- 4.12. The Council, therefore, must either designate the entire area, or an area in the proposed boundary. The next step is to consider whether to designate the entire area as proposed in the Application. In considering this, officers have assessed, amongst other things the National Planning Practice guidance (PPG), the policy context and the consultation responses.
- 4.13. The PPG provides guidance to local authorities on how to designate a neighbourhood area. In determining a neighbourhood area designation, the PPG identifies the following considerations to take account of:
- village or settlement boundaries, which could reflect areas of planned expansion
 - the catchment area for walking to local services such as shops, primary schools, doctors' surgery, parks or other facilities
 - the area where formal or informal networks of community based groups operate
 - the physical appearance or characteristics of the neighbourhood, for example buildings may be of a consistent scale or style
 - whether the area forms all or part of a coherent estate either for businesses or residents
 - whether the area is wholly or predominantly a business area
 - whether infrastructure or physical features define a natural boundary, for example a major road or railway line or waterway
 - the natural setting or features in an area
 - size of the population (living and working) in the area.
- 4.14. The proposed WKGG neighbourhood area application is predominantly residential and encompasses two housing estates, student accommodation, community facilities including the Fulham Boys School, community halls, outdoor amenity space and other local services. The Gibbs Green Estate was built in 1961 and comprises seven medium-rise blocks. The West Kensington Estate was built between 1972-74 and comprises five blocks, low rise flats, maisonettes and terraced houses. The proposed area is bounded on the west, by North End Road, to the south lies Lillie Road, to the east are TfL depot sites and Metropolitan Police Service buildings.
- 4.15. Based on the above factors, the proposed area is considered similar in layout, scale and physical appearance throughout; and, relatively enclosed and self-contained with the surrounding road and rail infrastructure providing natural boundaries. The location of the community facilities and other services are located in proximity to the residences, and the street layout allows ease of movement.
- 4.16. The proposed neighbourhood area forms part of a strategic site designation within our Local Plan, Strategic Policy FRA Fulham Regeneration Area. This area is identified as having potential to provide 7,000 indicative additional homes and 9,000 indicative new jobs. Within FRA is Strategic Site Policy FRA1 Earl's Court and West Kensington Opportunity Area, which the proposed neighbourhood area therefore also forms part of. This opportunity area is recognised in the Mayor's London Plan where it expands into the Royal Borough of Kensington and Chelsea and it is estimated that 6,500

homes and 8,500 jobs could be accommodated within our borough. There is also a planning permission for a large redevelopment and mixed-use scheme which includes the proposed neighbourhood area.

- 4.17. Capital & Counties in their consultation response advise that it is due to the strategic site designation; a land sale agreement; and planning permission that they object to the neighbourhood area application along with the inclusion of parcels of land they consider do not fit with the largely residential character of the proposed area.
- 4.18. The PPG states (in summary) neighbourhood areas can include land allocated in a Local Plan as a strategic site, the planning context and circumstances should be discussed between the local planning authority and group that may inform the Council's decision on the area it will designate.
- 4.19. The PPG also outlines that in determining any neighbourhood area, the planning authority should avoid pre-judging what a qualifying body may subsequently decide to put in its draft neighbourhood plan.
- 4.20. Officers also understand that any significant works in relation to the housing estates as part of the planning permission for the wider area, have not commenced and we cannot assume that they will. Furthermore, land and property is always subject to possible change in ownership and is not considered sufficient reason to hinder the neighbourhood planning process.
- 4.21. Officers have considered the aims of the proposed neighbourhood forum for the area in the application letter against Local Plan policy FRA1. For this area, FRA1 supports improvement to, which includes potential for renewal and additions to all or parts of the estates. Officers consider these align with the broad aims set out in the Application.

PUBLIC CONSULTATION AND RESPONSES

- 4.22. The Application was subject to a six-week consultation between 17th May and 28th June 2018. The following engagement activities were undertaken as part of the public consultation:
 - All application and consultation details were made available on the Council's website;
 - Public notices were published in local newspapers;
 - Letters were sent to approximately 850 local addresses within the proposed neighbourhood area boundary;
 - The Application was made available for inspection at the Hammersmith Town Hall, King Street, Hammersmith, W6 9JU
 - Emails were sent out to stakeholder's on LBHF's consultation databases.
- 4.23. In total, the Council received 63 responses as part of the public consultation on the proposed neighbourhood area and forum application. The Council

received comments from residents and a number of statutory bodies in email and in letters. The full schedule of comments can be viewed at Appendix B.

Summary of consultation responses

- 4.24. Fifty-seven responses were positive, expressing support to the Application. These comments expressed support to the proposed neighbourhood forum as well as to the proposed area. The views also generally expressed support for producing a neighbourhood plan.
- 4.25. Three objections were received. Two responses did not support the neighbourhood forum designation. They consider it would be a small group representing the views of a larger area. One response did not support the neighbourhood area due to its strategic designation in planning policy; planning permission; land sale agreement; and parcels of land not residential in character.
- 4.26. Three responses did not express any explicit views towards the Application. These were from the statutory bodies; Natural England; Canals and River Trust; and Port of London Authority.

REASONS FOR AREA DESIGNATION

- 4.27. As identified above, the Council is required to designate an area in response to any neighbourhood area applications. However, the Council has discretion in determining the boundary of the neighbourhood area. Officers have carefully considered, amongst other things, the strategic significance of the proposed area; the character of the area; planning permission; national guidance; and consultations responses.
- 4.28. Following this assessment officers recommend designating the area as proposed: the area is predominantly residential with associated community facilities; it is uniform in character and architectural style; and an enclosed area with natural boundaries and existing social and community networks. The aims of the proposed forum are not considered to be in conflict with the policy context for the site and we cannot assume the current planning permission will be implemented. Further to this, the consultation responses demonstrate a large majority in support of the forum and area designation. For these reasons, officers recommend designating the area as proposed.

WKGG NEIGHBOURHOOD FORUM APPLICATION

- 4.29. The second aspect of the application is to determine the designation of the neighbourhood forum. In determining this, the Council is required to take into consideration, s.61F(5) of the Town and Country Planning Act 1990(Annex 1) which sets out that the Council may designate an organisation or body if it meets the following criteria:
- If it is formed to promote or improve the social, economic and environmental well-being of the area;

- The membership is open to those that live, work or are elected in the area;
 - The membership includes at least 21 people who live, work or are elected in the area; and
 - Has a written constitution.
- 4.30. The application letter forms the basis for determining whether to grant neighbourhood forum status to the group.
- 4.31. The Application outlines that the WKGGCH is established for furthering the social, economic and environmental wellbeing of people living, or wanting to live, in the area. The Application states the group's aims for the neighbourhood plan, including: improving and managing the existing homes and neighbourhood; prevent the break-up and displacement of a long-established and well-functioning community; and to build additional affordable housing and new community resources sensitively, taking account of residents needs and aspirations, amongst others.
- 4.32. From the application letter, officers can determine that membership is open to all people who live in the proposed area (those that live or are elected in the area can apply for membership to the board, subject to some broad criteria); and the group is currently made up of 585 members, that live across the proposed area. The group has a Board Diversity Policy to encourage diversity and members are from a broad range of ethnic groups. The group also holds public events and activities, have a social media presence, put information up around the area and have a community organiser. The group also held specific public meetings and activities to advertise the neighbourhood plan area and forum application in the local community.
- 4.33. As part of the Application to the Council, the group also included the constitution setting out membership arrangements, decision making processes and powers. Officers have considered the two responses objecting to the forum but consider that the requirements of the Regulations have been met.

REASONS FOR FORUM DESIGNATION

- 4.34. In response to the above, officers consider there is sufficient evidence to designate the proposed group neighbourhood forum status. The group consists of a broad range of members reflecting the residential nature of the area and an inner London ward, holds membership of at least 21 people, and has a written constitution. Furthermore, the aims of the group are considered broadly consistent with the Local Plan policy (SFRA1).

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. Area designation: the legislation requires local authorities to designate whole or part of neighbourhood plan areas when applied for. Officers' assessment of the area application is that the proposed boundary sits comfortably with the relevant regulations and guidance as detailed in paragraph 4.22 and therefore

have rejected the option of only designating part of the area as this would not be consistent with national guidance.

- 5.2. Forum designation: it is at the Council's discretion to refuse the neighbourhood forum application. Officers consider the neighbourhood forum application meets the relevant legislation criteria and are therefore recommending designation.

6. CONSULTATION

- 6.1. As identified above, the neighbourhood area and forum application were subject to public consultation between 17th May and 28th June (six weeks). The Council must consult for a minimum of six weeks on any neighbourhood area and forum application.

7. EQUALITY IMPLICATIONS

- 7.1. The Council has given due regard to its responsibilities under Section 149 of the Equality Act 2010 and it is not anticipated that there will be any negative impact on any groups with protected characteristics from the designation of the proposed area and the designation of a neighbourhood forum.
- 7.2. If the proposed neighbourhood forum proceeds, it will be able to develop and produce a neighbourhood plan for the proposed area. Neighbourhood planning requires an array of community involvement throughout the process and ultimately a referendum will need to be organised to determine whether the final plan should be adopted formally by the Council.
- 7.3. Officers will continue to work with the group to ensure they are inclusive and that all members of the community are able to be involved. As part of the application letter, the group provided information on the make-up of the forum and how decisions will be made in the constitution.
- 7.4. Implications completed by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. The Town and Country Act 1990, as amended by Localism Act 2011 sets out the criteria and consideration that every Local Planning Authority must consider in respect of applications to designate neighbourhood areas and neighbourhood forums for the purpose of neighbourhood planning.
- 8.2. Further the Town and Country Planning Act 1990 and the Neighbourhood Planning (General) Regulations 2012, (as amended) outline the Council's responsibilities and procedures for the designation of neighbourhood areas and neighbourhood forums.
- 8.3. The body of this report has summarised the criterion and procedures to be followed in accordance with the above-mentioned legislation.

8.4. Implications completed by Poonam Rajput, Solicitor, tel. 020 8753 6378.

9. FINANCIAL IMPLICATIONS

9.1. If a neighbourhood plan becomes adopted, the local authority is required to consult with the community on the use of 25% of the Community Infrastructure Levy (CIL) revenues arising from the development that takes place in their area or can pass the money onto the Neighbourhood forum. Currently, this area has a £Nil CIL.

9.2. The Council can apply for funding from the Ministry of Housing, Communities and Local Government at different points in the process:

- For the first five designated neighbourhood plan areas, the Council can apply for £5,000 per designation. This will be the Council's third such area and should be applied for if the recommendations in this report are agreed.
- For the first five neighbourhood forums designated, the Council can apply for £5,000 per designation. This will be the Council's first such forum and this should be applied for if a suitable neighbourhood forum puts itself forward.

9.3. In order for a neighbourhood plan to be adopted, an Independent Examination and Referendum is required. The Council is required to support these processes and there will be costs to the Council, however the exact costs are not currently clear as this process will be led by the Neighbourhood Forum. Appropriate Cabinet or Cabinet Member approval will be required before these costs are incurred.

9.4. Once a Referendum date has been set, the Council can claim £20,000, which would be used to offset the costs occurred by the Council organising the Examination and Referendum.

9.5. It is expected that the costs relating to consultation and supporting the examination and referendum process would be fully covered by the Government funding set out above. There's a small risk that the Examiner may wish to widen the referendum area. This would be more costly for the Council but Planning Officers have advised that this is unlikely.

9.6. As with any decision of this type there is a risk of it being challenged via an application to the Ombudsman or by judicial review with the Council incurring costs as a result.

9.7. Implications completed by Danny Rochford, Head of Finance Growth & Place, tel. 020 8753 4023.

10. IMPLICATIONS FOR BUSINESS

10.1. Neighbourhood plans are community-led planning policy documents and can cover all land use related matters. Once adopted, neighbourhood plans

ultimately will be used to assess planning applications in the area and can cover all land use related matters, such as housing, retail, open space designation and other matters.

- 10.2. Neighbourhood plans must be developed in general conformity with the strategic policies as set out in the Council's Core Strategy and the London Plan (the Development Framework). The recommended area for designation is predominantly residential and is unlikely to have large employment sites. The scale of any neighbourhood plan policy is unlikely to have a negative impact upon delivering economic development, jobs and growth in the borough.
- 10.3. Social and economic value, including employment and skills opportunities for local residents and supply opportunities for local small and medium size enterprises should be sought via the proposed Neighbourhood Forum and its activities.
- 10.4. Implications completed by Albena Karameros, Economic Development Team, tel. 020 7938 8583.

11. COMMERCIAL IMPLICATIONS

- 13.1 The report seeks to recommend the designation of the proposed area and the designation of the neighbourhood forum.
- 13.2 Under the 1990 Act local planning authorities have a statutory duty to advise and assist in the preparation of neighbourhood development plans. They also have a duty to make arrangements for independent examination of the plan.
- 13.3 Therefore, the Council is required to support these processes and the costs associated with them.
- 13.4 The future procurement of an independent examiner shall follow the Contracts Standing Orders and the Public Contracts Regulations.
- 13.5 Implications completed by Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

12. IT IMPLICATIONS

- 12.1. There are no IT implications contained within this report.
- 12.2. Implications verified/completed by Quentin Brooks, IT Service Management, tel 020 8753 6214.

13. RISK MANAGEMENT

- 13.1. The proposal contributes positively to the LBHF Vision and Council Priority of Doing things with, not to residents also to the management of our local Community needs and expectations risk. This may also bring additional

improvement to the local natural environment through the forum again positively contributing to the management of environmental risk and meeting our Priority by Taking pride in Hammersmith & Fulham, our residents deserve a place that is safe, clean and green.

13.2. If the recommendations are agreed, the forum would be able to commence work on a neighbourhood plan. If a neighbourhood plan is developed, officers would work closely with the community group to ensure that the neighbourhood plan policies align with those of the council. As a plan progresses, further consultation is required on draft versions of the plan which the council would submit comments and will be subject to an Independent Inspector to ensure the plan meets the legal requirements.

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

14. OTHER IMPLICATIONS PARAGRAPHS

14.1. Officers consider all relevant implications have been covered in this report.

15. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

15.1 None

LIST OF APPENDICES:

Appendix A: West Kensington and Gibbs Green Community Homes Neighbourhood Area and Forum application

Appendix B: Proposed neighbourhood area boundary

ANNEX:

Annex 1: Town and Country Planning Act 1990

<https://www.legislation.gov.uk/ukpga/1990/8/contents>

PART A: Application for designation of West Ken Gibbs Green Community Homes as a Neighbourhood Forum

Requirements of the Neighbourhood Planning Regulations 2012 Part 3 Paragraph 8	
Where an organisation or body submits a neighbourhood forum application to the local planning authority it must include:	
a) The name of the proposed neighbourhood forum	West Ken Gibbs Green Community Homes
b) A copy of the written constitution of the proposed neighbourhood forum	See Appendix 1
c) The name of the neighbourhood area to which the application relates and a map which identifies the area	This application relates to the proposed West Kensington and Gibbs Green Neighbourhood Area (WKGGA). A map is provided at Appendix 2 and further details are provided in Part 2 of this document.
d) The contact details of at least one member of the proposed neighbourhood forum to be made public under regulations 9 and 10	Keith Drew, Chair, 6 Franklin Square, London W14 9UU C/o Zoe Savory, zoe.wkggch@gmail.com ; 07754 701636
e) A statement which explains how the proposed neighbourhood forum meets the conditions contained in section 61F(5) of the 1990 Act.	This is set out in sections a) to d) below.
A local planning authority may designate an organisation or body as a neighbourhood forum if the authority are satisfied that it meets the following conditions:	
a) It is established for the express purpose of promoting or improving the social, economic and environmental wellbeing of an area that consists of or includes the neighbourhood area concerned (whether or not it is also established for the express purpose of promoting the carrying on of trades, professions or other businesses in such an area).	The objectives in our Articles of Association (see Appendix 1) state: “WKGGA is established for the purpose of furthering the social, economic and environmental wellbeing of people living, or wanting to live, in the West Kensington and Gibbs Green estates area.”
b) Its membership is open to – (i) Individuals who live in the neighbourhood area concerned, (ii) Individuals who work there (whether for businesses carried on there or otherwise), and (iii) Individuals who are elected members of a county council, district council or London borough council any of whose area falls within	Membership of WKGGA is open to all people who live in the proposed West Kensington and Gibbs Green Neighbourhood Area. Membership is open to non-residents (including those who work in the area and elected members of Hammersmith and Fulham Council) if they can show: (a) They have an interest in the area and the wellbeing of the residents; and (b) they can contribute to the work of the organisation. Applicants must complete an application for approval by the Board.

<p>the neighbourhood area concerned</p>	<p>Membership is free. Further detail is outlined in section 21 of the WKG GCH Articles of Association at Appendix 1.</p> <p>We hold regular public events and activities at which membership is promoted and encouraged. We hold an Annual General Meeting which is open to members of the public and which has been attended by elected members of Hammersmith and Fulham Council. Members are entitled to elect the Board on the basis of one member, one vote We are regular exhibitors at the North End Road market, where we publicise our activities to residents of the neighbourhood area and beyond.</p> <p>WKG GCH has a website: westkengibbsgreen.wordpress.com A Facebook page: www.facebook.com/westkengibbsgreen And a Twitter account: @WestKenGibbsGr</p> <p>These public platforms are used to inform local residents and stakeholders of our events and activities and encourage them to participate. In addition:</p> <ul style="list-style-type: none"> • We regularly update six notice boards across the proposed Neighbourhood Area with information of our events and activities, as well as putting up posters in the windows/notice boards of local businesses along the North End Road. • We have a mailing list of over three hundred residents and local supporters which we use to publicise events and activities. • We have a community organiser who keeps residents of the proposed Neighbourhood Area up to date by phone and face to face, and also retains contact with local businesses, elected members and those who work on both estates.
<p>c) Its membership includes a minimum of 21 individuals each of whom –</p> <p>(i) Lives in the neighbourhood area concerned,</p> <p>(ii) Works there (whether for a business carried on there or otherwise), or</p> <p>(iii) Is an elected member of a county council, district council or London borough council any of whose area falls within the neighbourhood are concerned</p>	<p>We have 585 members who live within the proposed Neighbourhood Area and four members who do not. 65% of households on the West Kensington and Gibbs Green estates contain at least one resident who is a member of WKG GCH.</p> <p>Membership by category:</p> <p>Lives in the Neighbourhood Area – 585 Works in the Neighbourhood Area – 1 Elected Member of H&F Council – 0 Local or London-wide supporter – 4</p> <p>With the exception of a Council office, a school and two community halls, the Neighbourhood Area is residential. The current make-up of the members reflects the character of the area.</p>
<p>d) It has a written constitution.</p>	<p>As above, see Appendix 1.</p>
<p>Further Requirements as set out in the Locality Guidance</p>	

<p>Membership drawn from different places in the area and different sections of the community.</p>	<p>Our members hail from all tenure brackets across both estates, including Secure Council Tenants, Leaseholders, Freeholders, Private Tenants and Temporary tenants. The list below indicates the number of members who reside at each address within the Neighbourhood Area, demonstrating a thorough geographical spread of membership.</p> <p>Gibbs Green – 68 Dieppe Close – 30 Fairburn and Churchward Houses – 124 Aisgill Avenue, Garsdale Terrace, Bellamy Close and Stanier Close – 80 Ivatt Place – 26 Franklin Square – 26 Marchbank Road – 47 Sharnbrook House – 34 Lickey and Desborough Houses – 98 North End Road Maisonettes – 43 Thaxton Road and Lerry Close – 9</p> <p>Reflecting the character of the neighbourhood area, our membership hails from a broad range of religious and ethnic backgrounds. According to the Hammersmith and Fulham 2014 Borough Profile, slightly under 60% of North End Ward residents are Black or of an Ethnic Minority and slightly over 40% are White British.</p> <p>Although we do not collect information about the religious and ethnic backgrounds of our members, we have a Board Diversity Policy which is designed to encourage as representative Board as possible. This is attached as Appendix 3. Currently there are fourteen elected residents of the proposed Neighbourhood Area on our Board, of whom 50% are White British and 50% are Black or of an Ethnic Minority. The following ethnicities/nationalities are present on our Board: Polish, Turkish, North African, Somali, African, French, White British, Mixed Ethnicity.</p>
<p>How our purpose reflects the character of the proposed Neighbourhood Area</p>	<p>The purpose of West Ken Gibbs Green Community Homes is to promote and improve the social, economic and environmental wellbeing of the West Kensington and Gibbs Green estates and their residents.</p> <p>Our area is characterised by being a well-connected, inner-urban neighbourhood that is home to a population with a wide range of social, economic, ethnic and religious backgrounds. Reflecting the character of the area, our mission is to:</p> <ul style="list-style-type: none"> • Improve and manage the existing homes and neighbourhood

	<ul style="list-style-type: none"> • Prevent the break-up and displacement of a long-established and well-functioning community • Build additional affordable housing and new community resources sensitively, taking account of residents’ needs and aspirations • Develop community facilities, provide improved services, and work with other local agencies to support individuals, build social ties, further improve community life, and cultivate the talents and spirit of young residents • Nurture a happy, secure and self-supporting neighbourhood supported by a democratically controlled landlord which acts for the welfare of the whole community.
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PART B: Application for the designation of West Kensington and Gibbs Green Neighbourhood Area (WKGGNA)

<p>Requirements of the Neighbourhood Planning (General) Regulations 2012. Part 2 Paragraph 5</p> <p>Where a relevant body submits an area application to the local planning authority it must include:</p>	
<p>a) A map which identifies the area to which the area application relates;</p>	<p>Please refer to Appendix 2 to see a map of the proposed neighbourhood area.</p>
<p>b) A statement explaining why this area is considered appropriate to be designated as a neighbourhood area</p>	<p>The proposed neighbourhood area is the footprint of the West Kensington and Gibbs Green estates. The West Kensington and Gibbs Green estates are contiguous, sharing a permeable boundary along Mund Street. Together, they are surrounded by the following distinct physical boundaries:</p> <ul style="list-style-type: none"> • To the North, a former factory building currently used by the Fulham Boys School • To the East, a Transport for London depot, the former Earl’s Court exhibition centres and the Empress State Building. • To the South, Lillie Road • To the West, North End Road and Beaumont Crescent. <p>There is currently no public access to the Neighbourhood Area through either the northern or eastern boundaries. The boundaries to the South and West of the Neighbourhood Area are welcoming and permeable yet clear and distinct. Entrances to the Neighbourhood Area from Lillie Road, North End Road and Beaumont Crescent, for instance, are signified with a map of the Neighbourhood Area.</p>

	<p>Aside from their physical unity, the West Kensington and Gibbs Green estates share a joint history and a strong sense of community. With the exception of 58 housing association properties spread across both estates which were completed more recently as infill, Gibbs Green was completed in 1961 and West Kensington in 1974.</p> <p>There are close family and social ties between households across the neighbourhood, which link the two estates. Both estates fall within the North End Ward. Aside from a local authority office, a school, two community centres and some well-used green spaces and play areas and a number of garages, the area is residential. Both estates fall within the North End Ward.</p> <p>Residents of both estates participated together in the same New Deal for Communities initiatives under the previous Labour government. Since 2008, the West Kensington estate Tenants and Residents Association (TRA) and the Gibbs Green & Dieppe Close TRA have worked closely together on initiatives to keep residents informed and improve social, economic and environmental wellbeing on both estates.</p> <p>West Ken Gibbs Green Community Homes (WKGCH) was incorporated in 2011 through the mutual efforts of both TRAs and with the purpose of improving the social, economic and environmental wellbeing on both estates. The WKGCH Board and TRA representatives meet every eight weeks to share news and plan together.</p> <p>Every year, WKGCH and the TRAs hold their Annual General Meetings together on the same night in the Gibbs Green Hall. Public meetings and events organised by WKGCH and the TRAs take place at least every quarter and are typically attended by between 40 and 200 residents and local people.</p> <p>Both TRAs and WKGCH work with and support the West Kensington and Gibbs Green Community Champions initiative, as well as the youth worker at St Andrew’s Church, both of which have reached a wide cross section of the community on both estates through clubs and activities for all ages.</p> <p>Since founding, WKGCH has actively pursued the transfer of both estates into a community run housing association for the benefit of the community. The purpose of this is to give residents on both estates a greater say in their future. Most recently, WKGCH and over one hundred residents from both estates have worked with architects to produce plans to build up to 250 additional homes across both estates, among other proposals for social and environmental improvements. 65% of households across both estates gave written feedback on this proposal, with 90% saying they found it to be ‘Good’ or</p>
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	<p>'Excellent'. A full analysis can be found online here: https://westkengibbsgreen.wordpress.com/the-peoples-plan/</p> <p>Since 2013, both estates have been subject to a Conditional Land Sale Agreement between Hammersmith and Fulham Council and a developer, as well as outline planning permission for their demolition. A majority of households from both estates have consistently opposed this. With the properties in Empress Place now owned by the developer, the area is the only part of the Mayor's Earl's Court Opportunity Area which is home to an existing residential community.</p>
<p>c) A statement that the organisation or body making the area application is a relevant body for the purposes of section 61G of the 1990 Act.</p> <p>As per Section 61G of the 1990 Act, a "relevant body" means either a parish council or "an organisation which is, or is capable of being, designated as a neighbourhood forum (on the assumption that, for this purpose, the specified area is designated as a neighbourhood area)."</p>	<p>West Ken Gibbs Green Community Homes Ltd (WKG GCH) is a not-for-profit membership organisation with 585 members, well over the minimum of 21 required. Membership is free to anyone who lives or works in the Neighbourhood Area, or is an elected member of Hammersmith & Fulham Council. As set out in our Articles of Association (Appendix 1), "WKG GCH is established for the purpose of furthering the social, economic and environmental wellbeing of people living, or wanting to live, in the West Kensington and Gibbs Green estates area."</p> <p>For more detail, please refer to Part A of this application.</p>

Part C: Consultation and publication to date of the proposals contained in Parts A and B

At a meeting of 47 resident Members, 20 resident non-Members, 4 non-resident Members and 4 non-residents on Tuesday 4th October 2017, Members unanimously approved the following resolution:

"It is for us, the residents to decide the future of our neighbourhood. To help us achieve our ambitions for improvements and new homes, WKG GCH should apply to become a Neighbourhood Forum and to designate our estates as a Neighbourhood Forum."

This news, along with information on how to become a member, was included in the November 2017 West Kensington and Gibbs Green Newsletter which reaches all 760 households on the estates.

The following promotional activities were undertaken in advance of this meeting:

- Two notifications to all 760 households on the estates
- Two letters to 580 Members of West Ken Gibbs Green Community Homes (WKG GCH)
- Two emails to 324 mailing list subscribers within the Neighbourhood Area

APPENDIX A

- SMS notifications and phone calls to 417 people who work and live in the Neighbourhood Area
- Presence with a stall and a 3D model of the Neighbourhood Area at the North End Road Spring and Autumn Markets in April and September 2017, with Board Members and volunteers on hand to answer questions and sign up new members
- Our Summer Picnic on Saturday 1st July included a 3D model of the Neighbourhood Area, with Board Members and volunteers on hand to answer questions and sign up new members
- 600 hours spent on a door survey about the proposals contained in the People's Plan (which are solely concerned with the Neighbourhood Area) between July 2016 and June 2017, which returned 502 written feedback forms from 65% of households.

Appendix 1

The Companies Act 2006

ARTICLES OF ASSOCIATION

OF

West Ken Gibbs Green Community Homes Limited

Incorporated 8 March 2011

Company Number: 07556140

These revised Articles adopted by Members on 3 October 2017

West Ken Gibbs Green Community Homes Limited

ARTICLES OF ASSOCIATION

INDEX TO THE ARTICLES

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms
2. Liability of members

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3. Directors' general authority
4. Members' reserve power
5. Directors may delegate
6. Committees

DECISION-MAKING BY DIRECTORS

7. Directors to take decisions collectively
8. Unanimous decisions
9. Calling a directors' meeting
10. Participation in directors' meetings
11. Quorum for directors' meetings
12. Chairing of directors' meetings
13. Casting vote
14. Conflicts of interest
15. Records of decisions to be kept
16. Directors' discretion to make further rules

APPOINTMENT OF DIRECTORS

17. Methods of appointing directors and the election process
18. Termination of director's appointment
19. Directors' expenses

PART 3

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

20. Make up of membership
21. Applications for membership
22. Termination of membership

ORGANISATION OF GENERAL MEETINGS

23. Attendance and speaking at general meetings
24. Quorum for general meetings
25. Chairing general meetings
26. Attendance and speaking by directors and non-members
27. Adjournment

VOTING AT GENERAL MEETINGS

28. Voting: general
29. Errors and disputes
30. Poll votes
31. Content of proxy notices
32. Delivery of proxy notices
33. Amendments to resolutions

**PART 4
ADMINISTRATIVE ARRANGEMENTS**

34. Means of communication to be used
35. Company seals
36. No right to inspect accounts and other records
37. Provision for employees on cessation of business
38. Profits not to be distributed
39. Dissolution

DIRECTORS' INDEMNITY AND INSURANCE

40. Indemnity
41. Insurance

**PART 1
INTERPRETATION AND LIMITATION OF LIABILITY**

DEFINED TERMS

1. (1) In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association;

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 25;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“member” has the meaning given in section 112 of the Companies Act 2006;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 31;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006; and
“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

(2) WKGCH covers the area of West Kensington and Gibbs Green Estates, London W14 in the London Borough of Hammersmith and Fulham, bounded by North End
Company No: 07556140 Registered Office: 105 Gibbs Green, London W14 9NE

APPENDIX A

Road and Beaumont Crescent in the West, Beaumont Avenue in the North, the Lillie Bridge rail depot and Empress State Building in the East, Lillie Road and Thaxton Road in the South.

(3) West Kensington and Gibbs Green Estates include the homes, sheds, community halls, schools, associated buildings and open spaces on the following streets:

- (a) Gibbs Green including hall
- (b) Dieppe Close
- (c) Mund Street
- (d) 231 – 245 North End Road including Lickey and Desborough Houses
- (e) Ivatt Place including Churchward and Fairburn Houses
- (f) Aisgill Avenue including Garsdale Terrace
- (g) Stanier Close
- (h) Bellamy Close
- (i) Franklin Square
- (j) Marchbank Road including Sharnbrook House
- (k) 1 – 15 Thaxton Road
- (l) Lerry Close, and
- (m) Lillie Road – nursery and hall

(4) WKGCH is established for the purpose of furthering the social, economic and environmental wellbeing of people living, or wanting to live, in the West Kensington and Gibbs Green estates area.

LIABILITY OF MEMBERS

2. The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member or within one year after he ceases to be a member, for—
- (a) payment of the company's debts and liabilities contracted before he ceases to be a member,
 - (b) payment of the costs, charges and expenses of winding up, and
 - (c) adjustment of the rights of the contributories among themselves.

**PART 2
DIRECTORS
DIRECTORS' POWERS AND RESPONSIBILITIES**

DIRECTORS' GENERAL AUTHORITY

3. Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

MEMBERS' RESERVE POWER

4. (1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- (2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

DIRECTORS MAY DELEGATE

5. (1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
- (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions;

as they think fit.

(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

COMMITTEES

6. (1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

DIRECTORS TO TAKE DECISIONS COLLECTIVELY

7. (1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If—

(a) the company only has one director, and

(b) no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

UNANIMOUS DECISIONS

8. (1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

CALLING A DIRECTORS' MEETING

9. (1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate—

(a) its proposed date and time;

APPENDIX A

(b) where it is to take place; and

(c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(3) Notice of a directors' meeting must be given to each director, but need not be in writing.

(4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

PARTICIPATION IN DIRECTORS' MEETINGS

10. (1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

(a) the meeting has been called and takes place in accordance with the articles, and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

(3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

QUORUM FOR DIRECTORS' MEETINGS

11. (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

(a) to appoint further directors, or

(b) to call a general meeting so as to enable the members to appoint further directors.

CHAIRING OF DIRECTORS' MEETINGS

12. (1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

CASTING VOTE

13. (1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

CONFLICTS OF INTEREST

14. (1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is Interested, that director is not to be counted as participating in the decision making process for quorum or voting purposes.
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.
- (3) This paragraph applies when—
- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
 - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (c) the director's conflict of interest arises from a permitted cause.
- (4) For the purposes of this article, the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

APPENDIX A

(b) subscription, or an agreement to subscribe, for securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and

(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

RECORDS OF DECISIONS TO BE KEPT

15. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

DIRECTORS' DISCRETION TO MAKE FURTHER RULES

16. Subject to the Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT OF DIRECTORS

METHODS OF APPOINTING DIRECTORS AND ELECTION PROCESS

17. (1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

(a) by ordinary resolution, or

(b) by a decision of the directors.

(2) In any case where, as a result of death, the company has no members and no directors, the personal representatives of the last member to have died have the right, by notice in writing, to appoint a person to be a director.

Company No: 07556140 Registered Office: 105 Gibbs Green, London W14 9NE

- (3) For the purposes of paragraph (2), where 2 or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.
- (4) The Board will consist of up to 14 elected Directors of the Board, with the opportunity to co-opt up to 6 more. At least 66% of the elected Board will be residents of the area defined in paragraph 1(2) and 1(3) in Section 1 above.
- (5) At all times the number of Board members who are secure tenants shall be more than 50% of the total number of Board members, i.e. at least 3 out of 5 Board members must be secure tenants. If it arises that 50% or less are secure tenants, the Board shall decide by majority which of such members shall forthwith cease to be members of the Board.
- (6) At each AGM one third of the Board Directors will stand down, chosen by lot at the second and third AGM, and after that Directors are elected to the Board for 3 years. After that time they are able to stand for re-election.
- (7) Any candidates for election to the Board would have to submit an application to the Company office 21 days before the AGM with an election address, and the name and signature of another member nominating them.
- (8) The notice for the AGM delivered to all members 14 days before the AGM will include the name and election address for all candidates.
- (9) If there are more candidates than places on the Board, there will be an election at the AGM. There will be a secret ballot for the election whenever there are more candidates than places on the Board.
- (10) A ballot paper that sets out the names of the candidates, and how many votes each member has, can be used at the Annual General Meeting.

TERMINATION OF DIRECTOR'S APPOINTMENT

18. A person ceases to be a director as soon as—
- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
 - (b) a bankruptcy order is made against that person;
 - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

(e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;

(f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;

(g) the person stands down under Article 17(5).

DIRECTORS' EXPENSES

19. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

(a) meetings of directors or committees of directors,

(b) general meetings, or

(c) separate meetings of the holders of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3 MEMBERS BECOMING AND CEASING TO BE A MEMBER

MAKE UP OF MEMBERSHIP

20. (1) All Members shall be classified as Tenant Members or Resident Members.

(2) A Tenant Member is a secure tenant or leaseholder where the landlord is the London Borough of Hammersmith and Fulham.

(3) A Resident Member is any other person who is not a Tenant Member and who is admitted as a Member.

(4) The majority of Members shall always be secure tenants of the London Borough of Hammersmith and Fulham. The directors shall not admit a person as a member if the effect of that admission would be to stop secure tenants being a majority of the Members. The directors may adopt such policy from time to time as seems fit to them in relation to the admission of a person to membership or removal of that person from membership to secure that a majority of Members are secure tenants. In the absence of such policy in circumstances where secure tenants might not be the majority of Members such number of Resident Members most recently admitted as is required to create such a majority of the secure tenants shall cease to be a Member Provided always that a Resident Member shall not cease to be a Member if such cessation would leave a home within the West Kensington and Gibbs Green Estates without a Member. If more Resident Members are equally eligible to cease to be Members

APPENDIX A

under the provisions of this Article than are required to cease to be Members the Resident Members to cease to be a Member shall be chosen by lot.

(5) The organisation must have at least 10 members living in different dwellings on the West Kensington and Gibbs Green Estates.

APPLICATIONS FOR MEMBERSHIP

21. (1) No person shall become a member of the company unless—

(a) that person has completed an application for membership in a form approved by the directors, and

(b) the directors have approved the application.

(c) the form of membership application is set out in Appendix A of these Articles. Applications for membership must be made on the application form.

(2) Anyone who lives on West Kensington and Gibbs Green Estates will be accepted as a member unless:

(a) they have been expelled or are suspended as members

(b) they are under the age of 18 years

(c) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have.

(d) they are an employee of the organisation.

(3) Anyone who is not a resident of West Kensington and Gibbs Green Estates can become a member if they can show:

(a) they have an interest in the area and the wellbeing of the residents; and

(b) they can contribute to the work of the organisation.

(4) Decisions to admit non-resident members will be taken by the Board of the organisation.

(5) Future applications for membership will be decided according to the membership policy that is approved concurrently by the Directors.

TERMINATION OF MEMBERSHIP

22. (1) A member shall cease to be a Member if:

(a) he or she dies; or

(b) he or she is expelled; or

Company No: 07556140 Registered Office: 105 Gibbs Green, London W14 9NE

(c) he or she withdraws from the Association by giving one month's notice to the Secretary; or

(d) he or she moves away from West Kensington and Gibbs Green Estates.

(2) Membership is not transferable.

ORGANISATION OF GENERAL MEETINGS

ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

23. (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

QUORUM FOR GENERAL MEETINGS

24. (1) The quorum for a General Meeting will be 20 members or one tenth of the membership, whichever is the smaller.

(2) No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

CHAIRING GENERAL MEETINGS

25. (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

Company No: 07556140 Registered Office: 105 Gibbs Green, London W14 9NE

APPENDIX A

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

(a) the directors present, or

(b) (if no directors are present), the meeting, must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS

26. (1) Directors may attend and speak at general meetings, whether or not they are members.

(2) The chairman of the meeting may permit other persons who are not members of the company to attend and speak at a general meeting.

ADJOURNMENT

27. (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or

(b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairman of the meeting must—

(a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

(b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that

is, excluding the day of the adjourned meeting and the day on which the notice is given)—

(a) to the same persons to whom notice of the company's general meetings is required to be given, and

(b) containing the same information which such notice is required to contain.

(6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

VOTING: GENERAL

28. (1) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

(2) One member is entitled to one vote.

ERRORS AND DISPUTES

29. (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

(2) Any such objection must be referred to the chairman of the meeting whose decision is final.

POLL VOTES

30. (1) A poll on a resolution may be demanded—

(a) in advance of the general meeting where it is to be put to the vote, or

(b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

(2) A poll may be demanded by—

(a) the chairman of the meeting;

(b) the directors;

(c) two or more persons having the right to vote on the resolution; or

(d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

APPENDIX A

(3) A demand for a poll may be withdrawn if—

(a) the poll has not yet been taken, and

(b) the chairman of the meeting consents to the withdrawal.

(4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

CONTENT OF PROXY NOTICES

31. (1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—

(a) states the name and address of the member appointing the proxy;

(b) identifies the person appointed to be that member’s proxy and the general meeting in relation to which that person is appointed;

(c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and

(d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

(2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

(3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

(4) Unless a proxy notice indicates otherwise, it must be treated as—

(a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

(b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

DELIVERY OF PROXY NOTICES

32. (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

(2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

APPENDIX A

(3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

(4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

AMENDMENTS TO RESOLUTIONS

33. (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

(a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

(3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 4 ADMINISTRATIVE ARRANGEMENTS

MEANS OF COMMUNICATION TO BE USED

34. (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

Company No: 07556140 Registered Office: 105 Gibbs Green, London W14 9NE

APPENDIX A

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

COMPANY SEALS

35. (1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal is to be used.
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (4) For the purposes of this article, an authorised person is—
- (a) any director of the company;
 - (b) the company secretary (if any); or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

36. Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

37. The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

PROFITS NOT TO BE DISTRIBUTED

38. The income and property of the Company shall be applied solely towards the promotion of the Company's objects and no part shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to members of the Company, and no Director shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company: Provided that nothing in this document shall prevent any payment in good faith by the Company:

- (a) of the usual professional charges for business done by any Director or member of the Company who is a solicitor, accountant or other person

Company No: 07556140 Registered Office: 105 Gibbs Green, London W14 9NE

engaged in a profession when instructed by the Company to act in a professional capacity on its behalf: Provided that at no time shall a majority of the Directors benefit under this provision and that a Director shall withdraw from any meeting at which his or her appointment or remuneration is under discussion;

(b) of reasonable remuneration to any person holding office as an event or fund raising organiser or manager for work undertaken whilst holding that office, notwithstanding that he/she is a Director or member of the Company: Provided that any Director withdraws from any meeting whilst his/her remuneration is being discussed;

(c) of reasonable and proper remuneration for any services rendered to the Company by any member, officer or servant of the Company who is not a Director;

(d) of interest on money lent by any member of the Company or director at a reasonable and proper rate per annum not above the published base lending rate of a clearing bank to be selected by the Directors;

(e) of fees, remuneration or other benefit in money or money's worth to any company of which a Director may also be a member holding not more than 1/100th part of the issued capital of that company;

(f) of reasonable and proper rent for premises demised or let by any member of the Company or a Director;

(g) to any Director of reasonable out-of-pocket expenses. Provided that no payment to a member or Director shall be effective unless passed at a quorate meeting of the Directors.

DISSOLUTION

39. If, upon the winding-up of the Company for any reason, there remains after the satisfaction of all the Company's debts and liabilities, surplus assets, those assets will be transferred to another body corporate with similar objectives to this Company.

DIRECTORS' INDEMNITY AND INSURANCE

INDEMNITY

40. (1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

APPENDIX A

(a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,

(b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

(c) any other liability incurred by that director as an officer of the company or an associated company.

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

(3) In this article—

(a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

(b) a “relevant director” means any director or former director of the company or an associated company.

INSURANCE

41. (1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

(a) a “relevant director” means any director or former director of the company or an associated company,

(b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the company, any associated company or any pension fund or employees’ share scheme of the company or associated company, and

(c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

WEST KEN GIBBS GREEN COMMUNITY HOMES LIMITED

Registered with Companies House. Company No: 07556140
Registered Office: 105 Gibbs Green, London W14 9NE

West Ken Gibbs Green Community Homes Limited (WKGCH) is dedicated to improving the neighbourhood and to saving the estates by transferring them into community ownership under resident control.

Membership is open to residents, aged 18 or over, living on the West Kensington & Gibbs Green estates, London W14.

MEMBERSHIP APPLICATION (PLEASE USE CAPITAL LETTERS)

I apply to be a member of WKGCH. In the event that the company can't meet its debts, I understand that my liability is limited to a maximum of £1.

Name

Address

Email

Phone

Tenure

SIGNED..... **DATE**

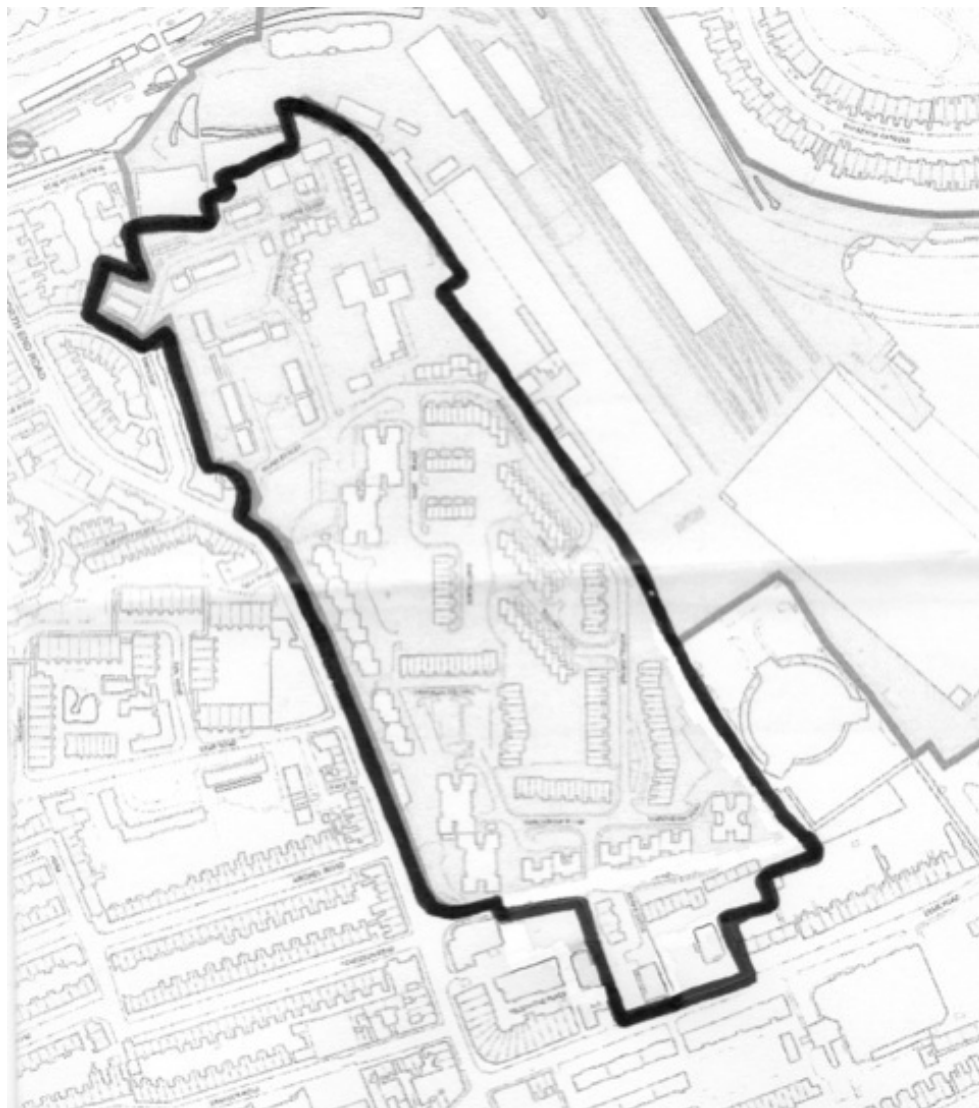
FOR OFFICE USE ONLY

Approval Date

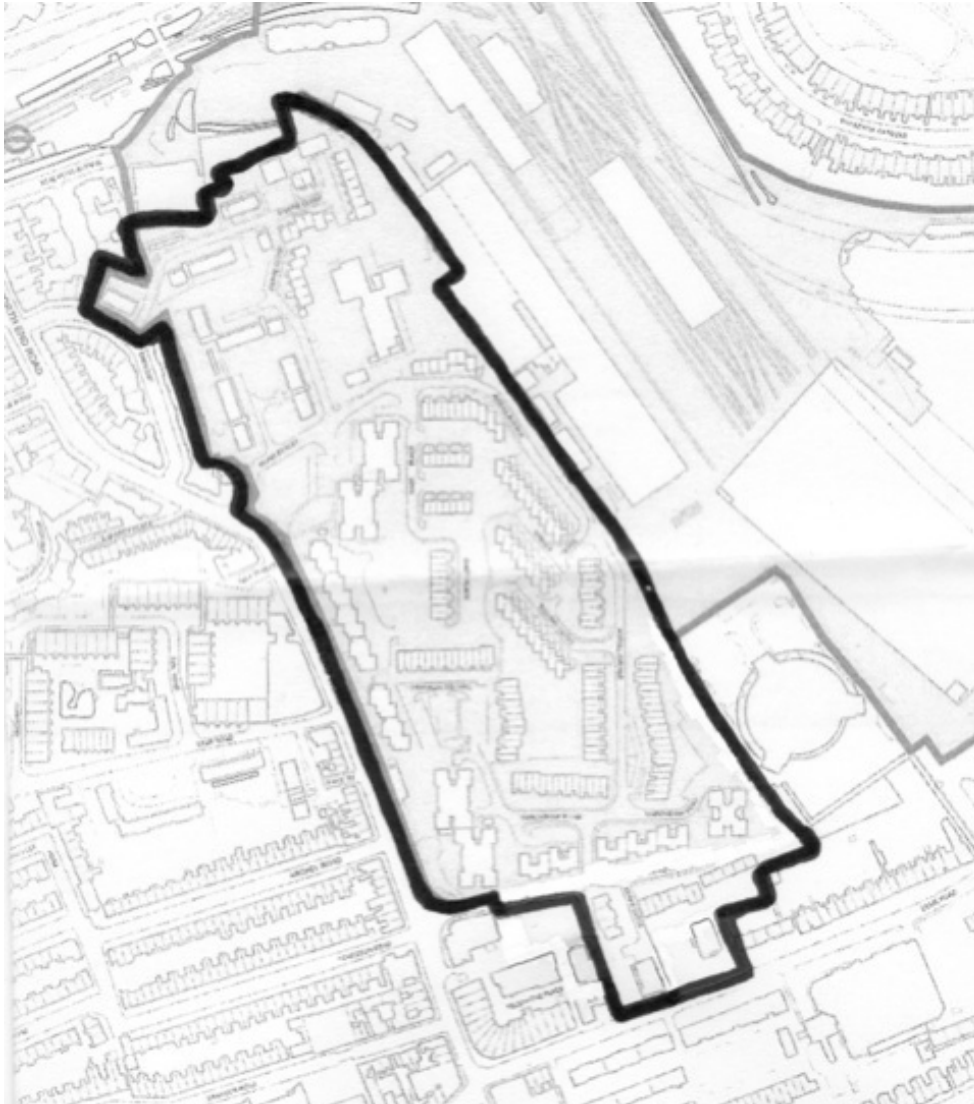
Membership No:

MAP OF WEST KENSINGTON & GIBBS GREEN ESTATES

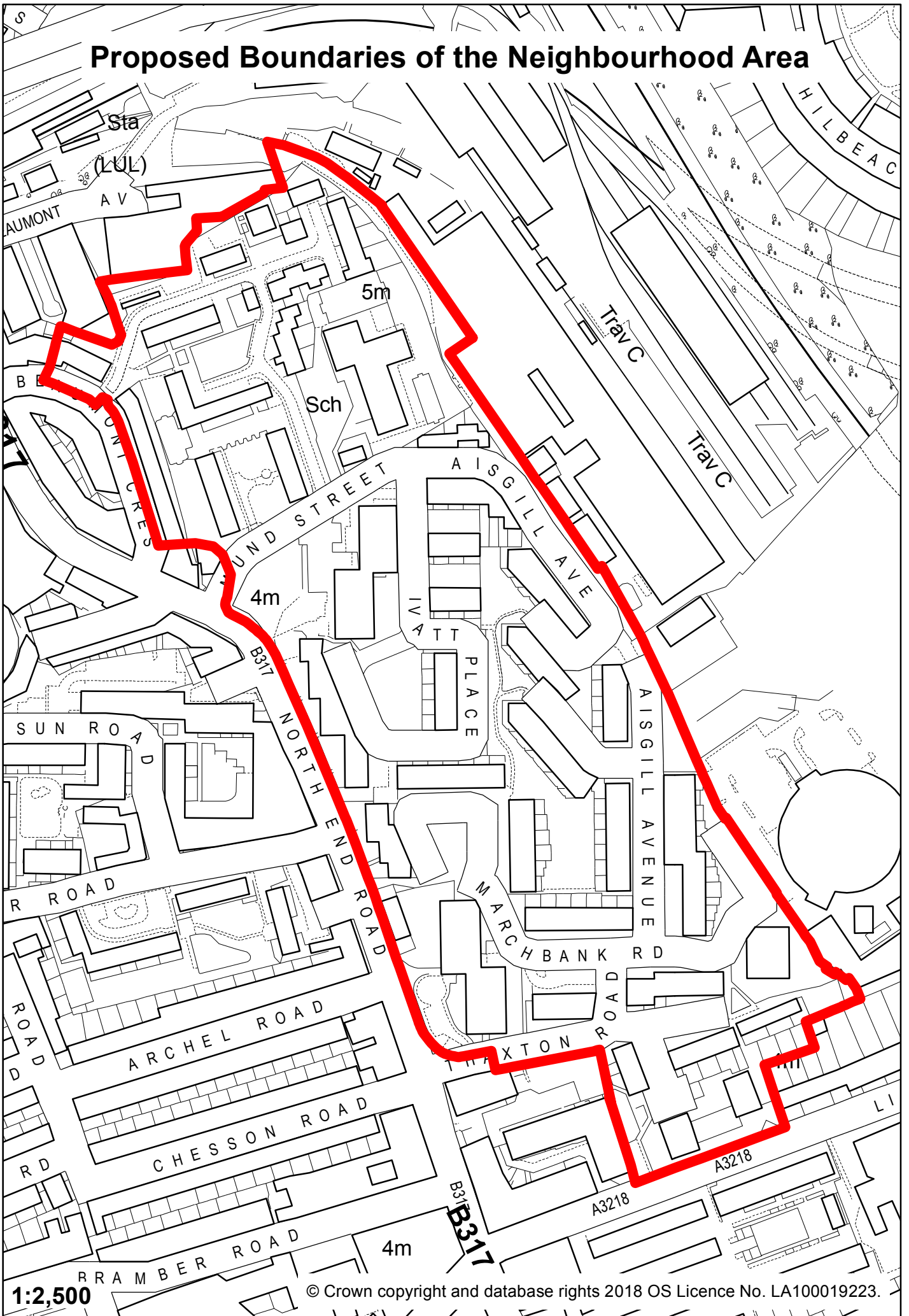
Boundaries



Appendix 2 – Proposed Boundaries of the Neighbourhood Area



Proposed Boundaries of the Neighbourhood Area



1:2,500

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Reference		Comment	Support	Not-support	Neutral	Response type
1	Resident	I agreed to the proposal that WKGGCH is representative of the area as a forum to help the community. I support the proposal 100 percent	Support			Email
2	Statutory Body	No comment			Neutral	Email
3	Resident	I am sending this email as my point of view and what I think is good is for our neighbourhood hood. We as residents should be able to decide the future of our neighbourhood. To help us achieve our ambitions for improvements and new homes, WKGGCH should apply to become a Neighbourhood Forum and to designate our estates as a Neighbourhood Forum	Support			Email
4	Statutory Body	No comment			Neutral	Email
5	Resident	My name is Faisal ***** I live in ***** . As resident I am in favour of West Kensington & Gibbs Green estates being designated as neighbourhood forum & neighbourhood area. WKGGCH represent the community.	Support			Email

6	Resident	I would like to support the application for a Neighbourhood forum, Sally *****	Support			Email
7	Resident	Wajiha ***** of **** as asked me to e-mail on her behalf that she supports the neighbourhood forum application, regards *****	Support			Email
8	Resident	Further. To your letter i am writing to confirm that I agree with The Neighbourhood Forum plan and WKGG community homes will be representing the community.	Support			Email
9	Resident	I support West Kensington and Gibbs Green Estates becoming a neighbourhood forum.	Support			Email
10	Resident	I approve this application at 200%.	Support			Email
11	Resident	I strongly support the request for a Neighbourhood Forum for the West Kensington and Gibbs Green Estate, where I live.	Support			Email
12	Resident	I completely support this planned proposal and hope that you choose to approve it.	Support			Email

13	Resident	I am writing to say that I agree with the proposal of WKGGCH homes to be formally designated as a neighbourhood forum and neighbourhood area.	Support			Email
14	Resident	I am a board member of WKGGCH and have actively worked with the group of residents living on the estates I support the proposal of WKGGCH becoming a Neighbourhood Forum which will empower the residents to make more decisions for our community and give us more independence to have a say of how we want the estates to run and how we want them to look in the future.	Support			Email
15	Resident	I am totally in favour of both West Kensington and Gibbs Green Estates forming a Neighbourhood Forum. I have lived in my home since 1982 and really value the local community. Most of the residents are in favour of preserving our homes and over the past 10 years have contributed suggestions about possible improvements which would make this a viable option. I urge all members of the council to approve our application for further involvement with future developments of this area.	Support			Email
16	Resident	I want the council to approve the Neighborhood Forum. No to DEMOLITION.	Support			Email

		I Leonarda ***** support the application of West Ken,Gibbs Green community Homes to become a Neighbourhood Forum for our estates.They represent us and we as community deserve to become a Neighbourhood Forum and area.				
17	Resident	I would like to vote against the decision for community homes to become the neighbourhood forum as I don't believe having a bias group making decisions for all residents on the estate as a small group cannot reflect the decisions of those who are against what they believe.		Not support		Email
18	Resident	As a local resident I am in full support of this application	Support			Email
19	Resident	Due to the ongoing problems with the C.L.S.A (the Council favouring frustration?), it is necessary to pursue legal opportunities to protect the continuuing existence of WK/GG estates. I therefore urge your goodselves to get behind, assist this Application, thereby confirming to the tenants here that there welfare is worthy of your devotion.	Support			Letter

20	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates	Support			Letter
21	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates	Support			Letter
22	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates	Support			Letter
23	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates	Support			Letter
24	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates	Support			Letter

25	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates	Support			Letter
26	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates	Support			Letter
27	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates	Support			Letter
28	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates	Support			Letter
29	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates	Support			Letter
30	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter

31	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
32	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
33	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
34	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
35	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
36	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
37	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
38	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter

39	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
40	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
41	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
42	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
43	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
44	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
45	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter
46	Resident	I support West Ken Gibbs Green Community Homes' application to become a Neighbourhood Forum	Support			Letter

47	Resident	As a resident on one of the above estates, I am writing in support of the WKGGCG who, as representatives of both communities, deserve to get their wish to become a Neighbourhood Forum for both estates.	Support			Email
48	Resident	We represent the commit and deserve to be neighbourhood forum for the two estates.	Support			Email
49	Statutory Body	<p>We would like to take this opportunity to provide you with information sources you may wish to use in developing your plan, and to highlight some of the potential environmental risks and opportunities that neighbourhood plans may present. We have set this out in the annex to this letter.</p> <p>Natural England's role Natural England is a non-departmental public body. Our statutory purpose is to ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development. Your local planning authority should be able to advise</p> <p>you when we should be consulted further on your neighbourhood plan.</p>			Neutral	Email

		<p>Planning policy for the natural environment</p> <p>Neighbourhood plans present significant opportunities, but also potential risks, for the natural environment. Your proposals should be in line with the National Planning Policy Framework. The key principles are set out in paragraph 109:</p> <p>The planning system should contribute to and enhance the natural and local environment by:</p> <ul style="list-style-type: none"> • protecting and enhancing valued landscapes, geological conservation interests and soils; • recognising the wider benefits of ecosystem services; • minimising impacts on biodiversity and providing net gains in biodiversity where possible, contributing to the Government’s commitment to halt the overall decline in biodiversity, including by establishing coherent ecological networks that are more resilient to current and future pressures; 				
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		<p>You should also consider the natural environment policies in your area's Local Plan. Your neighbourhood plan should be consistent with these, and you may decide that your plan should provide more detail as to how some of these policies apply or are interpreted locally.</p> <p>The attached annex sets out sources of environmental information and some natural environment issues you may wish to consider as you develop your neighbourhood plan or order.</p>				
50	Resident	My name is Mary ***** and I fully support the WKGGCH to take control.	Support			Email
51		we represent the community and deserve to be a Neighbourhood Forum for the two estates!	Support			Email
52	Resident	I support the application of West Ken Gibbs Green Community Homes to become a Neighbourhood Forum for our estates. They represent us and we as a community deserve to become a Neighbourhood Forum and Area.	Support			Email
53	Resident	We represent the community and deserve to be a Neighbourhood Forum for the two estates.	Support			Email

54		I support the application of West Ken Gibbs Green Community Homes to become a Neighbourhood Forum for our estates. They represent us and we as a community deserve to become a Neighbourhood Forum and Area.	Support			Email
55	Resident	I support the application of West Ken Gibbs Green Community Homes to become a Neighbourhood Forum for our estates. They represent us and we as a community deserve to become a Neighbourhood Forum and Area.	Support			Email
56	Resident	I wish to inform you about my complete support to the application of West Kensington and Gibbs Green Community Homes to become a Neighbourhood Forum for our estates. They represent us Residents and our community deserve to become a Neighbourhood Forum and Area.	Support			Email
57	Resident	In response to your correspondence 17.05.2018 whilst the forum scheme is very enterprising, well meaning and enthusiastic to be realistic its limited experience and resource suggests the most practical way forward is estate manegement from LBHF 100% control. Continuing to provide wise sound expert		Not-support		Letter

		<p>management with its vast experience in such things.</p> <p>It would be folly at this stage if the estate were to be misled and comprised of the inexperience and mismanagement of any neighbourhood forum.</p>				
58	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates.	Support			Letter
59	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates.	Support			Letter
60	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates.	Support			Letter

61	Resident	West Ken Gibbs Green Community Homes represent our community and I support them in becoming a Neighbourhood Forum for our two estates.	Support			Letter
62	Resident	I support the application of West Ken Gibbs Green Community Homes to become a Neighbourhood Forum for our estates. They represent us and we as a community deserve to become a Neighbourhood Forum and Area.	Support			Email
63	Capital & Counties Properties plc and its subsidiary companies	No comment on the proposed neighbourhood forum. Object to the neighbourhood area (i) it is strategic in nature and forms part of development plan strategic designations for comprehensive major mixed use development and has an extant planning permission which has been implemented and significant works undertaken; (ii) the area is subject to a conditional land sale agreement for the purpose of estate regeneration; and (iii) the area includes properties outside the estates which do not fit within the remaining residential character of the proposed area.	Object			Letter

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 9 JULY 2018 AND AT FUTURE CABINET MEETINGS UNTIL APRIL 2019

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 2018/19

Leader:	Councillor Stephen Cowan
Deputy Leader:	Councillor Sue Fennimore
Cabinet Member for the Environment:	Councillor Wesley Harcourt
Cabinet Member for Housing:	Councillor Lisa Homan
Cabinet Member for the Economy and the Arts:	Councillor Andrew Jones
Cabinet Member for Health and Adult Social Care:	Councillor Ben Coleman
Cabinet Member for Children and Education:	Councillor Larry Culhane
Cabinet Member for Finance and Commercial Services:	Councillor Max Schmid
Cabinet Member for Public Services Reform:	Councillor Adam Connell
Cabinet Member for Strategy:	Councillor Sue Macmillan

Key Decisions List No. 67 (published 8 June 2018, amended on 11 June 2018)

KEY DECISIONS LIST - CABINET ON 9 JULY 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>
9 July 2018				
Cabinet	9 Jul 2018	Hammersmith and Fulham council Business Plan 2018-2022 This is presented as a high level Business Plan that will inform a more detailed Delivery Plan to be agreed with individual Cabinet Members.	Leader of the Council	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Budg/pol framework		Ward(s): All Wards	
			Contact officer: Joanna McCormick Tel: 0741207694 Joanna.Mccormick@lbhf.gov.uk	
Cabinet	9 Jul 2018	Treasury Outturn 2017/18 Present the Council's Annual Treasury Management Outturn Report for 2017/18 in accordance with the Council's treasury management practices. It is a regulatory requirement for this outturn report to be presented to Council by the 30 September each year.	Cabinet Member for Finance and Commercial 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: Income more than £100,000		Ward(s): All Wards	
			Contact officer: Phil Triggs ptriggs@westminster.gov.uk	
Cabinet	9 Jul 2018	CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2017/18 (OUTTURN) This report provides a summary of the Council's Capital Programme out-turn for the financial year 2017-18	Cabinet Member for Finance and Commercial 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
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
			Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@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>)
				papers to be considered.
Cabinet	9 Jul 2018	2017/18 Corporate Revenue Outturn Report Analysis of spend compared to budget for 2017/18	Cabinet Member for Finance and Commercial 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 Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	
Cabinet	9 Jul 2018	LBHF Lot 1 Self Service and Associated Software Procurement The acceleration of the Self Service procurement will result in the award of contract in July/August. As no cabinet meeting will be in place then and the procurement will still be in progress for the July Cabinet, the contract award needs to be delegated to meet the implementation timetable.	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards Contact officer: Maria Ellis Tel: 07971053865 Maria.Ellis@lbhf.gov.uk	
Cabinet	9 Jul 2018	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	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards Contact officer: Mark Brayford Tel: 020 8753 4159 Mark.Brayford@lbhf.gov.uk	
Cabinet	9 Jul 2018	Appropriation of Watermeadow Court and Edith Summerskill House The report requests approval for delegated authority to grant	Cabinet Member for the Economy and the Arts	A detailed report for this item will be available at least five working days before the date of the meeting and
	Reason: Expenditure more than		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
	£100,000	<p>resolution to appropriate rights affecting Edith Summerskill House and Watermeadow Court in order to deliver new housing.</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>Contact officer: Matthew Doman, Matthew Rumble Tel: 02087534547, Matthew.Doman@lbhf.gov.uk, matt.rumble@lbhf.gov.uk</p>	<p>will include details of any supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>9 Jul 2018</p> <p>Reason:</p>	<p>West King Street Renewal</p> <p>This report seeks the authority necessary to enter into conditional land sale agreement for the disposal of land to A2 Dominion Housing Association and approval of budgets necessary to decant the existing office accommodation and to fund the refurbishment of the existing Town Hall. The renewal proposal will provide fit for purpose office accommodation for the Council, 204 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.</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</p>	<p>Ward(s): Hammersmith Broadway</p> <p>Contact officer: Archie Adu-Donkor, David Burns</p> <p>Archie.Adu-Donkor@lbhf.gov.uk, David.Burns@lbhf.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
		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	9 Jul 2018 Reason: Expenditure more than £100,000	Ark Conway Free School - Section 278 Highway Works Following the construction of new, local, Ark Conway school building the Council is proposing new highway improvements around the perimeter of the school. The purpose of the highway improvements is to meet the operational requirements of the school and public realm benefits for local residents.	Cabinet Member for the Environment Ward(s): Wormholt and White City Contact officer: Michael Masella michael.masell@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	9 Jul 2018 Reason: Expenditure more than £100,000	Upgrade of Community Alarm Monitoring and Associated Disaster Recovery Solution To request approval for the necessary upgrade to the IT system supporting the council's Careline Service PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Tim Lothian Tel: 020 8753 5377 tim.lothian@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Cabinet	9 Jul 2018	West Kensington and Gibbs Green Community Homes (WKGCH) Neighbourhood Area and Forum Application The WKGCH have applied for neighbourhood area and forum status to work on a neighbourhood plan. The Council must decide whether to designate the group neighbourhood area and forum status.	Cabinet Member for the Economy and the Arts	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Budg/pol framework		Ward(s): North End	
Cabinet	9 Jul 2018	FAMILY SUPPORT SERVICE - VAT ARRANGEMENTS Approval required on the setting up of a shell company.	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	9 Jul 2018	FAMILY SUPPORT SERVICE - BUY BACK OF SUPPORT SERVICES Approval required on the proposed budget for the buy back of support services for the FSS.	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	9 Jul 2018	RISK FINANCING PROPOSALS 2019-20 This report sets out the proposed strategy upon which insurance contracts for Leaseholder, Property, Combined Liability, Directors' & Officers' Liability and potentially Engineering Inspection will be procured for contract commencement dates of 1st April 2019.	Cabinet Member for Finance and Commercial 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
	Reason: Expenditure more than £100,000		Ward(s): All Wards	

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				considered.
Cabinet	9 Jul 2018 Reason: Income more than £100,000	Housing Revenue Account 2017/18 Outturn To note the HRA provisional overspend. To note the overall increase in the HRA. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Kathleen Corbett Tel: 020 8753 3031 Kathleen.Corbett@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
10 September				
Cabinet	10 Sep 2018 Reason: Affects 2 or more wards	Corporate Revenue Monitor Month 2 - May 2018 Forecast of Spend v Budget for 2018-19	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	10 Sep 2018 Reason: Expenditure more than £100,000	Corporate Property Services Framework 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	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or

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				background papers to be considered.
Cabinet	10 Sep 2018	<p>Procurement Strategy for the Supply and Delivery of Office Stationery</p> <p>To seek approval of the procurement strategy for the supply of office stationery. It is proposed that the Council access a framework currently being tendered on behalf of London Boroughs and other public organisations by the London Borough of Havering.</p>	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	10 Sep 2018	<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>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): Palace Riverside	
Cabinet	10 Sep 2018	<p>Funding Affordable Housing</p> <p>This report seeks to provide funding for affordable housing in the borough.</p>	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details
	Reason: Expenditure more than £100,000		Ward(s): Shepherds Bush Green	

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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>Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk</p>	<p>of any supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>10 Sep 2018</p> <hr/> <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>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 the Environment</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Nigel Brown Tel: 020 8753 2835 Nigel.Brown@lbhf.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>10 Sep 2018</p> <hr/> <p>Reason: Income more than £100,000</p>	<p>Options For The Commercial Letting Of The Former Ginglik Club, 1 Shepherds Bush Green W12 8ph And Ravenscourt Central Stores</p> <p>Proposal to generate income from commercial properties within the LBHF portfolio that are currently vacant or non income producing.</p>	<p>Cabinet Member for the Environment</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Henry Azariah Tel: 020 8753 5191 Henry.Azariah@lbhf.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or</p>

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				background papers to be considered.
Cabinet	10 Sep 2018 Reason: Expenditure more than £100,000	CONTRACT FOR BLUE BADGE INVESTIGATION AND ENFORCEMENT Report seeking permission to tender	Cabinet Member for the Environment Ward(s): All Wards Contact officer: Osa Ezekiel Osa.Ezekiel@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	10 Sep 2018 Reason: Expenditure more than £100,000	Olive House Extra Care The current contract for 40 older people expires on 30.11.18; the report will include recommendations for the future commissioning and procurement strategy. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Health and Adult Social Care Ward(s): Sands End Contact officer: Julia Copeland Tel: 0208 753 1203 julia.copeland@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	10 Sep 2018 Reason: Expenditure more than £100,000	EdCity Development This reports seeks Cabinet authority to support the principles of the development and contracting arrangements. Support for proposals to share in planning costs. Support for the YouthZone arrangements and funding.	Cabinet Member for the Economy and the Arts Ward(s): Wormholt and White City Contact officer: Jacquie Agyemang-	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or

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		<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Johnson Tel: 020 8753 6090 Jacquie.Agyemang-Johnson@lbhf.gov.uk</p>	<p>background papers to be considered.</p>
Cabinet	<p>10 Sep 2018</p> <p>Reason: Affects 2 or more wards</p>	<p>Planning Enforcement Plan</p> <p>To agree the Enforcement Plan, which sets out the purpose, parameters and process for undertaking investigations and actions under Planning enforcement powers.</p>	<p>Cabinet Member for the Economy and the Arts</p> <p>Ward(s): All Wards</p> <p>Contact officer: Ellen Whitchurch ellen.whitchurch@lbhf.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>
8 October				
Cabinet	<p>8 Oct 2018</p> <p>Reason: Affects 2 or more wards</p>	<p>Corporate Revenue Monitor 2018-19 Month 3 - June 2018</p> <p>Forecast of spend v budget for 2018-19</p>	<p>Cabinet Member for Finance and Commercial Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>8 Oct 2018</p> <p>Reason: Expenditure</p>	<p>CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2018/19 (FIRST QUARTER)</p> <p>This report provides a financial</p>	<p>Cabinet Member for Finance and Commercial Services</p> <p>Ward(s): All Wards</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and</p>

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	more than £100,000	update on the Council's Capital Programme and seeks approval for budget variations, as at the end of the first quarter	Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Oct 2018	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 the Environment 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.
5 November				
Cabinet	5 Nov 2018	Corporate Revenue Monitor 2018-19 Month 4 - July 2018 Forecast of spend v budget	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards			
Cabinet	5 Nov 2018	Local Implementation Plan for Transport (LIP3) Sets out transport policies and programmes for period up to 2041 to submit to TfL, in accordance	Cabinet Member for the Environment Ward(s): All Wards	A detailed report for this item will be available at least five working days before the date of the meeting and
	Reason: Expenditure more than			

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	£100,000	with Mayor's Transport Strategy and requirements of GLA Act 1999, and to delegate authority to Cabinet Member for Environment to agree final version	Contact officer: Chris Bainbridge Tel: 0208 753 3354 chris.bainbridge@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
3 December				
Cabinet	3 Dec 2018 Reason: Affects 2 or more wards	Corporate revenue Monitor Month 5 - August 2018 forecast of spend v budget for 2018-19	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
14 January 2019				
Cabinet	14 Jan 2019 Reason: Affects 2 or more wards	Corporate Revenue Monitor 2018-19 Month 6 - Sept 2018 forecast of 2018-19 spend v budget	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
4 February 2019				
Cabinet	4 Feb 2019 Reason: Affects 2 or more wards	Corporate Revenue Monitor 2018-19 Month 7 - Oct 2018 forecast of 2018-19 spend v budget	Cabinet Member for Finance and Commercial Services Ward(s): All Wards	A detailed report for this item will be available at least five working days before the date of the meeting and

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			Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
1 April 2019				
Cabinet	1 Apr 2019 Reason: Affects 2 or more wards	Corporate Revenue Monitor 2018-19 Month 9 - Dec 2018 forecast of spend v budget	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Hitesh Jolapara Tel: 020 8753 2501 hitesh.jolapara@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.