

# Cabinet



## Agenda

**MONDAY**  
**8 OCTOBER 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**  
**27 September 2018**

If you require further information relating to this agenda please contact:  
Katia Neale, Committee Coordinator, tel: 020 8753 2368 or email:  
[katia.neale@lbhf.gov.uk](mailto:katia.neale@lbhf.gov.uk)

Reports on the open Cabinet agenda are available on the Council's website: [www.lbhf.gov.uk/councillors-and-democracy](http://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 (21 to 22) 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 **5-16** 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 3 October.**

### COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 10 October 2018**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Monday 15 October 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 15 October 2018**.

# Cabinet Agenda

8 October 2018

<u>Item</u>	<u>Pages</u>
<b>1. MINUTES OF THE CABINET MEETING HELD ON 10 SEPTEMBER 2018</b>	6 - 12
<b>2. APOLOGIES FOR ABSENCE</b>	
<b>3. DECLARATION OF INTERESTS</b>	
<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>	
<b>4. PETITIONS : BLOEMFONTEIN ROAD PUBLIC REALM SCHEME (PETITION)</b>	13 - 20
<b>5. CAPITAL PROGRAMME MONITOR &amp; BUDGET VARIATIONS, 2018/19 (FIRST QUARTER)</b>	21 - 40

<b>6.</b>	<b>CORPORATE REVENUE MONITOR 2018/19 MONTH 3 - 30TH JUNE 2018</b>	<b>41 - 87</b>
<b>7.</b>	<b>BUSINESS CASE &amp; PROCUREMENT STRATEGY IN RELATION TO THE PROCUREMENT OF STATIONERY, PAPER AND OFFICE EQUIPMENT</b>	<b>88 - 99</b>
<b>8.</b>	<b>IDOX MANAGED SERVICE ICT SYSTEMS CONTRACT EXTENSION</b>	<b>100 - 108</b>
<b>9.</b>	<b>ALTERNATIVE ECOLOGICAL MITIGATION CONSULTANTS PROCUREMENT</b>	<b>109 - 128</b>
<b>10.</b>	<b>BUSINESS CASE &amp; PROCUREMENT STRATEGY FOR BLUE BADGE INVESTIGATION AND ENFORCEMENT SERVICES</b>	<b>129 - 143</b>
<b>11.</b>	<b>CONTRACT AWARD FOR RAPID ELECTRIC VEHICLE CHARGING CONTRACT - SCRUBS LANE CAR PARK</b>	<b>144 - 161</b>
<b>12.</b>	<b>HAMMERSMITH FLYOVER - GREENING, PLANTING AND CYCLE PARKING IMPROVEMENT SCHEME</b>	<b>162 - 167</b>
<b>13.</b>	<b>KEY COMPLIANCE POLICIES - ASBESTOS/FIRE/GAS</b>	<b>168 - 177</b>
<b>14.</b>	<b>BUSINESS CASE &amp; PROCUREMENT STRATEGY FOR HOUSING LIFT MODERNISATION PROGRAMME</b>	<b>178 - 196</b>
<b>15.</b>	<b>DELEGATED DECISION TO INCREASE INVESTMENT IN PRIVATE RENTED SECTOR ACCOMMODATION TO REDUCE NUMBERS IN TEMPORARY ACCOMMODATION</b>	<b>197 - 219</b>
<b>16.</b>	<b>APPROPRIATION OF WATERMEADOW COURT AND EDITH SUMMERSKILL HOUSE</b>	<b>220 - 247</b>
<b>17.</b>	<b>REVISED STATEMENT OF GAMBLING POLICY</b>	<b>248 - 295</b>
<b>18.</b>	<b>FORWARD PLAN OF KEY DECISIONS</b>	<b>296 - 311</b>
<b>19.</b>	<b>EXCLUSION OF PRESS AND PUBLIC</b>	

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.

20. **EXEMPT MINUTES OF THE CABINET MEETING HELD ON 10 SEPTEMBER 2018 (E)**
21. **MITIE PARTNERSHIP PROGRESS REPORT: EXEMPT REPORT (E)**
22. **CONTRACT AWARD FOR RAPID ELECTRIC VEHICLE CHARGING CONTRACT - SCRUBS LANE CAR PARK: EXEMPT ASPECTS (E)**

# Agenda Item 1

London Borough of Hammersmith & Fulham

## Cabinet Minutes



Monday 10 September 2018

### **PRESENT**

Councillor Stephen Cowan, Leader of the Council  
Councillor Sue Fennimore, Deputy Leader  
Councillor Ben Coleman, Cabinet Member for Health and Adult Social Care  
Councillor Adam Connell, Cabinet Member for Public Services Reform  
Councillor Larry Culhane, Cabinet Member for Children and Education  
Councillor Wesley Harcourt, Cabinet Member for the Environment  
Councillor Lisa Homan, Cabinet Member for Housing  
Councillor Sue Macmillan, Cabinet Member for Strategy  
Councillor Max Schmid, Cabinet Member for Finance and Commercial Services

### **30. MINUTES OF THE CABINET MEETING HELD ON 9 JULY 2018**

#### **RESOLVED:**

That the minutes of the meeting of the Cabinet held on 9 July 2018 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

### **31. APOLOGIES FOR ABSENCE**

Apologies for Absence were received from Councillors Andrew Jones, Andrew Brown and Victoria Brocklebank-Fowler.

### **32. DECLARATION OF INTERESTS**

There were no declarations of interest.

### **33. INSURANCE TENDER STRATEGY FOR 2019-24**

#### **RESOLVED:**

1. To approve a waiver to Contract Standing Orders 7 – 10 and 11 – 16 concerning the conduct of the tendering process, on the basis that the process will be conducted in accordance with the EU public procurement rules and otherwise the requirements of the Contract Standing Orders of the RB of Kensington & Chelsea as lead borough for the procurement will apply, on the basis that that this is in the overall interests of the

Council (as provided for within Contract Standing Order 3) in relation to the following four contracts:

- Leaseholder buildings insurance.
  - Property insurance.
  - Combined Liability insurance.
  - Directors' & Officer's Liability insurance.
2. To approve the proposed procurement strategy for tendering the Council's insurance requirements and allied engineering inspection services set out in the report.
  3. To approve the inviting of tenders on a collaborative basis for the following LBHF insurance requirements:
    - Leaseholder buildings insurance.
    - Property insurance.
    - Combined Liability insurance.
    - Directors' & Officer's Liability insurance.
  4. To approve a delegation to the Strategic Director of Finance and Governance in consultation with the Cabinet Member for Finance and Commercial Services to approve the award of the contracts listed in paragraph 3 above.
  5. To approve a waiver of the requirements of Contract Standing Order 19 concerning the format of the contract documents and the requirement for the contract to be executed as a deed, on the basis that there are circumstances which are genuinely exceptional (as provided for within Contract Standing Order 3) as further explained in paragraph 4.11 of the report.
  6. To approve a delegation to the Strategic Director of Finance and Governance to waive the Contract Standing Orders in order that a direct award of contract can be awarded for the Engineering Inspection contract for a further year with the existing supplier.
  7. To approve a delegation to the Strategic Director of Finance and Governance, in consultation with the Cabinet Member for Finance and Commercial Services, to award a contract for the Engineering Inspection contract for a period of one year from 1 April 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.

**34. CORPORATE REVENUE MONITOR 2018/19 MONTH 2 - 31ST MAY 2018**

**RESOLVED:**

1. To note the forecast General Fund outturn and note that officers are developing further plans to reduce the overspend for discussion with Directors and ratification by the Strategic Leadership Team.
2. To note, the in-year (£6m) and cumulative (£13m) forecast overspend on Dedicated Schools Grant and the actions being considered to reduce this. To note the high level potential options that are being explored and that a detailed briefing and options paper is being prepared for Cabinet to consider.
3. To note the HRA forecast overspend and note that officers are developing further plans to reduce the overspend for discussion with Directors and ratification by the Strategic Leadership Team.
4. To agree that the 2018/19 2% pay award contingency (£1.775m) is not allocated to departments but held corporately to mitigate overspends. Directors to ensure that staffing budgets are robustly managed to avoid staffing overspends.
5. To agree that 50% of the unallocated contingency budget (£0.85m) is used to mitigate the overall adverse budget variance.
6. To agree the budget virements detailed in Appendix 10.
7. To delegate to the Strategic Director of Finance and Governance in consultation with the Cabinet Member for Finance and Commercial Services the decision to agree the necessary budget virements processed to align budgets to the new 2018/19 departmental structures.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.



### **35. CORPORATE PLANNED MAINTENANCE PROGRAMME (CPMP) 2018/2019**

#### **RESOLVED:**

1. To approve the 2018/2019 Corporate Planned Maintenance Programme (CPMP) as outlined in detail in Appendix 1 (attached to the exempt part of the report) subject to any amendments as agreed for operational reasons by the Strategic Director of Finance and Governance, with the final commitment of any individual project over £25,000 subject to a Cabinet Member Decision or Key Decision depending on the value of works over £100,000.
2. That the 2018/2019 CPMP be monitored and reported on for any operational changes. The Strategic Director of Finance and Governance in consultation with the Cabinet Member for Finance and Commercial Services to approve any minor variation to the 2018/2019 CPMP.
3. That the 2018/2019 CPMP monitoring report be prepared for the Cabinet Member every quarter to show any deviations over or under £5,000 compared to the original key decision report for the year. Projects with variations under £5,000 are to be reported in the summary as a financial adjustment within the report.

#### **Reason for decision:**

As set out in the report.

#### **Alternative options considered and rejected:**

As outlined in the report.

#### **Record of any conflict of interest:**

None.

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

None.

### **36. VARIATION TO THE DUCT ASSET CONCESSION CONTRACT**

#### **RESOLVED:**

1. That the Council should vary the duct asset concession contract with ITS Hammersmith & Fulham Ltd from 1/4/18 under the terms set out in the exempt part of the report.
2. That the Council varies the duct asset concession contract with ITS Hammersmith & Fulham Ltd so that:
  - There is a fixed fee paid to the Council as set out in the exempt part of this report, and
  - There is a variable fee paid to the Council as set out in the exempt part of this report.

3. That the council manages the procurement risk by issuing a VEAT notice.
4. That the power to vary all other details of the contract relating to administrative aspects are delegated to the Strategic Director for Finance and Governance, in consultation with the Cabinet Member for Finance and Commercial Services.

**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.

**37. OLIVE HOUSE EXTRA CARE HOUSING PROCUREMENT STRATEGY**

**RESOLVED:**

1. That the procurement strategy for future care and support provision at Olive House, set out in the exempt part of the agenda, be approved.
2. That Cabinet delegates the authority to award a five-year contract, with an option to extend for a further two years, in the event the Council intends to exercise this option to the Strategic Director of Social Care and PSR in consultation with the Cabinet Member for Health & Adult Social Care and the Cabinet Member for Finance and Commercial Services.
3. That a waiver in accordance with Contract Standing Order 3.1 to allow for the direct award of a seven-month contract to the incumbent provider, to ensure service continuity through the mobilisation of the new provider, be approved. The proposed contract would commence on 1st December 2018.

**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.

**38. LOCAL ENFORCEMENT PLAN (PLANNING)**

**RESOLVED:**

That the Local Planning Enforcement Plan, be adopted.

**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.

**39. FORWARD PLAN OF KEY DECISIONS**

**RESOLVED:**

The Key Decision List was noted.

**40. 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.]**

**41. CORPORATE PLANNED MAINTENANCE PROGRAMME (CPMP) 2018/2019: EXEMPT ASPECTS (E)**

**RESOLVED:**

That the report be noted.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

.....  
42. **VARIATION TO THE DUCT ASSET CONCESSION CONTRACT: 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.

43. **OLIVE HOUSE EXTRA CARE HOUSING PROCUREMENT STRATEGY: 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: 7.00 pm

Meeting ended: 7.03 pm

Chair

<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>8 OCTOBER 2018</b></p>	
<b>BLOEMFONTEIN ROAD PUBLIC REALM SCHEME (PETITION)</b>	
<b>Report of the Cabinet Member for the Environment - Councillor Wesley Harcourt</b>	
<b>Open Report</b>	
<b>Key Decision:</b> No	
<b>Wards Affected:</b> Wormholt and White City	
<b>Accountable Director:</b> Mahmood Siddiqi - Director Highways & Parks	
<p><b>Report Author:</b> Michael Masella – Senior Engineer</p>	<p><b>Contact Details:</b> Tel: 020 8753 3082 E-mail: michael.masella@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to advise Cabinet of the receipt of a petition with over 500 signatures against the proposed Bloemfontein Road public realm improvements as consulted in June 2018.
- 1.2. The petition’s request is as follows: “In conclusion, the proposed plan is impractical not only for businesses and services here in this parade, but also for the customers. Although it can bring eye-pleasing look with great granite-strip sandstone pavements, the true cost of that aesthetics is the catastrophic damage and failure of many businesses, services and families who are dependent on those. It is also very disturbing to see that our own landlord, the Council, is attempting their best to deprive our businesses and services here.”
- 1.3. The petitioners have asked the Council “Therefore, we would like to urge you to drop this plan going ahead, particularly considering the fact that survival of the very small businesses here predominantly relies on the services road, amount of parking in there and we all being your lessees.”

## 2. RECOMMENDATION

- 2.1. That the petition be noted.

### **3. REASONS FOR DECISION**

- 3.1. Under the Council's Petitions Scheme, a petition which attracts 250 valid signatures (of people who live, work or study in the borough) triggers consideration of the petition by Cabinet. This petition meets this criterion.

### **4. BACKGROUND**

- 4.1. Bloemfontein Road is a north-south corridor situated between the Uxbridge Road and the A40 Westway. In April 2018, officers identified the section of Bloemfontein Road between Australia Road and Commonwealth Avenue as an area for potential street scene improvements.
- 4.2. Following discussions with the Council's urban design consultants and local stakeholders, the Council developed concept designs to complement other public highway improvements recently completed in the local area. The proposed scheme is shown in the plan in Appendix 1.

### **5. PROJECT PROPOSALS**

- 5.1. The Bloemfontein Road public realm proposals forms part of the wider improvements in the area and include the following:
- new sandstone paving
  - new street lighting
  - additional seating and 13 new trees
  - a sustainable drainage system within the paving to help reduce localised flooding

The aspiration for the scheme is to create a much improved place for people to meet and relax and to stimulate the local economy. The focal point for the scheme would be a new farmer's market area, which would be used for markets and community events.

Under the proposals, the service road in front of the shops would be closed in order to create a plaza, with short-stay parking and loading re-located to a dedicated kerb-side bay in Bloemfontein Road. In addition, dedicated loading bays would also be provided in both Australia Road and Commonwealth Road for business deliveries. The net result of these changes would be a loss of seven parking spaces.

- 5.2. The current value of the project has been estimated at £500,000 for this scheme. This has not been secured yet and council officers will be bidding for Section 106 funding via an internal process. If funding is not secured the scheme will be referred to the Cabinet Member for review.

### **6. CONSULTATION**

- 6.1. Local residents and businesses were consulted on the proposals at the beginning of June 2018. A total of 800 consultation letters was delivered with comments invited by letter, email or via the Council's website (citizenspace).

- 6.2. A copy of the consultation letter is shown in Appendix 2.
- 6.3. The Council received a total of 52 responses to the consultation, of which;
- 41 were in favour of the proposals
  - 2 are against
  - 9 partially supported the proposals (with some changes)
  - 9 direct emails of which 8 are in favour and 1 of which is against

In summary, following the closure of the consultation, we received 49 responses supporting the proposals, 9 partially agreed but requested changes and 3 were against.

- 6.4. On 13<sup>th</sup> June 2018 Council officers met with local businesses to explain the proposals in more detail and to provide an opportunity for them to ask any questions. It was made very clear at the meeting that the businesses were not in support of closing the service road outside the parade of shops or any reduction in parking, because they felt it would have a detrimental effect on trade.
- 6.5. Following the meeting, local business submitted a petition “Improving the Landscape in Bloemfontein Road” containing over 500 signatures from people living and working in the local area opposing the scheme.

## **7. COUNCIL RESPONSE TO THE PETITION**

- 7.1. In accordance with the Council’s Petitions Scheme, the petition organiser (or their representative) may address the Cabinet for up to 5 minutes to explain the reasoning behind their objection to the proposals. The Cabinet may then decide to take one or more of the following courses of action:
- Take the action requested in the petition
  - Consider the petition at a Council meeting
  - Hold an inquiry into the matter
  - Undertake research into the matter
  - Hold a public meeting
  - Hold further consultation
  - Hold a meeting with petitioners
  - Refer the petition for consideration by the relevant Select Committee
  - Write to the petition organiser setting out its views about the request in the petition.
  - Resolve that the content of the petition be taken into account when reaching a decision on the relevant report
  - In the case of a petition to Council relating to an executive function which is not being exercised in a manner inconsistent with the Budget and Policy Framework, refer the matter to Cabinet for consideration

## **8. LEGAL IMPLICATIONS**

- 8.1. There are no legal implications for the proposal in this report

8.2. Implications verified/completed by: (Gerta Kodhelaj - Solicitor, tel. 020 8753 6081).

## **9. FINANCIAL IMPLICATIONS**

9.1. There are no financial implications for the proposal in this report

9.2. Implications verified/completed by: (Gary Hannaway, Head of Finance, tel. 0208 753 6071).

## **10. EQUALITY IMPLICATIONS**

10.1. As required by Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public-Sector Equality Duty and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Act, from these proposals.

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

## **11. IMPLICATIONS FOR BUSINESS**

11.1. Local businesses have raised their concerns and objections to this scheme in the submitted petition.

11.2. Implications completed by Albena Karameros, Economic Development Team, tel. 020 7938 8583.

## **12. COMMERCIAL IMPLICATIONS**

12.1. There are no commercial implications for the proposal in this report

12.2. Implications completed by: Simon Davis, Assistant Director Commercial Management, tel. 0208 753 7181, tel. 07920 503651.

## **13. IT IMPLICATIONS**

13.1. There are no IT implications for the proposal in this report.

13.2. Implications verified/completed by: Karen Barry, Strategic Relationship Manager, tel. 07787105687.

## **14. RISK MANAGEMENT**

14.1. The petition process allows the residents of Hammersmith and Fulham to have direct influence on the decision-making process and to raise concerns that are important to them. In addition, the Council will consider all the specific actions it can potentially take about the issues highlighted in a petition. The Council will always try to identify and solve problems at an early stage. The Council is



committed to receiving feedback as this helps to develop and review services. It is recognised that petitions are just one way in which people can let the Council know about their concerns.

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

#### **15. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

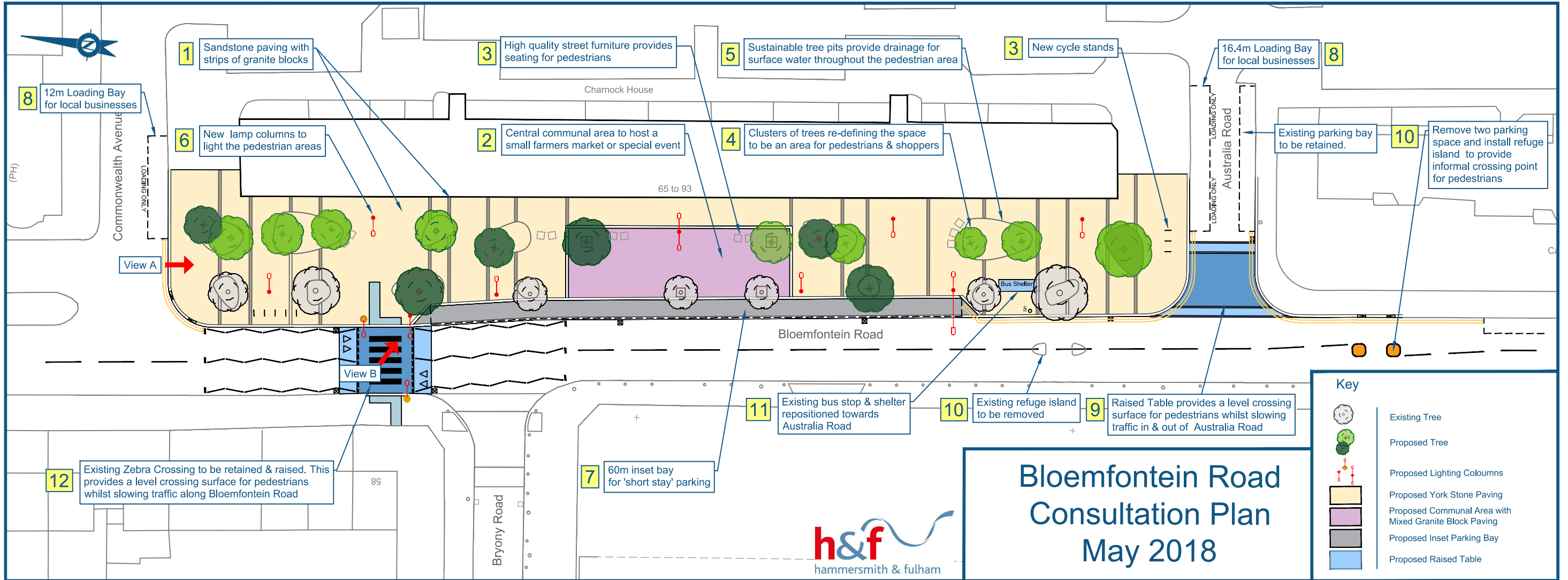
<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Bloemfontein Road – Public Realm Project – published.	Michael Masella ext:3082	Transport and Highways

#### **LIST OF APPENDICES:**

Appendix 1 – Plan of proposed scheme

Appendix 2 – Consultation letter

Consultation Plan



30<sup>th</sup> May 2018

Dear resident / occupier,

## **RE: Improving the Landscape in Bloemfontein Road**

I am writing to get your views on plans to improve the street scene in Bloemfontein Road to make it greener, more welcoming and improve local business.

These plans will complement our recent improvements outside the Cranston Court development and Bridget Joyce Square, our award-winning sustainable drainage scheme outside the Randolph Beresford School on Australia Road.

### **What is proposed?**

The plans include new sandstone paving, street lighting, seating and lots of new trees. It will also include new sustainable drainage within the paving to help reduce localised flooding.

At the centre of the parade, the focal point for the project would be a new farmer's market area, which would be used for markets and community events.

To make it a safe place for people to meet and relax, we'll also be stopping vehicles from using the parade. However, to ensure local traders are not affected, a short stay parking bay will remain for shoppers and visitors. Two dedicated loading bays will be included too, for deliveries.

### **How would the scheme be funded?**

We are currently seeking funding for the scheme from Transport for London (TfL).

### **More details**

Overleaf is a plan showing all the proposed improvements and two illustrations to help you visualise how the area could look. The numbered key below relates to the plan, so you can see where everything would go.

1. Buff coloured high-quality sandstone paving with granite strips.
2. Communal area as the focal point to the scheme to create a small farmer's market or special events.
3. High quality street furniture to provide seating for pedestrians, litter bins and cycle racks.
4. Planting 13 trees of varying size and species.
5. Tree pits combined with a sustainable urban drainage system to provide drainage for surface water throughout the pedestrianised area.

6. New lamp columns will be installed to light the pedestrianised area.
7. 'Short stay' parking will be provided on the eastern side of Bloemfontein Road for residents and visitors. This will provide 11 parking spaces. Currently there are 18 parking spaces.
8. Two new "Goods Only" loading bays to service the local businesses will be located on Australia Road and Commonwealth Avenue.
9. Raised entry treatment on Australia Road at the junction with Bloemfontein Road. This provides a level surface for pedestrians and will help slow down traffic
10. The existing pedestrian refuge island will be moved further south on Bloemfontein Road due to the relocation of the bus stop. This will require the loss of two parking spaces on Bloemfontein Road.
11. Relocation of the existing bus stop further south on Bloemfontein Road to accommodate the short term pay and display parking bays.
12. The existing zebra crossing will be raised to provide a level surface for pedestrians and will slow down traffic on Bloemfontein Road

### **When would the scheme be built?**

If the scheme is approved and the funds are secured the works will start in late 2018 and should take about 10 weeks to complete. However, we'll only go ahead with the plans if a majority of people are in favour. If the scheme is approved, we'll send you further details about the works programme.

### **Have your say!**


Please review the plans and give us your views **by Sunday 1<sup>st</sup> July 2018**. We value your feedback. You can send us your comments in any one of three ways:

- Online: is [www.lbhf.gov.uk/bloemfonteinrd](http://www.lbhf.gov.uk/bloemfonteinrd)
- Email: michael.masella@lbhf.gov.uk
- Letter: Michael Masella,  
Transport and Highways,  
Room 114, Council Offices,  
37 Pembroke Road,  
London W8 6PW

If you've got any questions, please call me on Tel: **020 8753 3082**, or email me at the address above.

Yours sincerely,

**Michael Masella**  
Senior Engineer  
Capital Projects Group - Transport & Highways

<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>8 OCTOBER 2018</b></p>	
<p><b>CAPITAL PROGRAMME MONITOR &amp; BUDGET VARIATIONS, 2018/19 (FIRST QUARTER)</b></p>	
<p><b>Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification:</b> FOR DECISION  <b>Key Decision:</b> Yes</p>	
<p><b>Wards Affected:</b> ALL</p>	
<p><b>Accountable Executive Director:</b>                  Hitesh Jolapara, Strategic Director of Finance and Governance</p>	
<p><b>Report Author:</b>                  Emily Hill, Assistant Director, Corporate Finance                  Andrew Lord, Head of Strategic Planning and Monitoring                  Ariana Murdock, Principal Accountant</p>	<p><b>Contact Details:</b>                  Tel: 0208 753 2531                  Email: andrew.lord@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report provides a financial update on the Council’s Capital Programme and seeks approval for budget variations, as at the end of the first quarter, amounting to a net decrease in 2018/19 of £35.2m. This decrease is primarily due to expenditure slippage to future years and represents 32.1% of the agreed 2018/19 capital programme. This report sets out the overall position of the capital programme.
- 1.2. Forecast General Fund capital receipts for the period 2018/19-2021/22 have reduced by £5.1m in comparison to forecast £15.7m at 2017/18 Outturn.
- 1.3. The amendments to the capital programme have impacted on the Council’s forecast capital debt (Capital Financing Requirement (CFR)). The updated General Fund figures are set out below. The expenditure slippage will result in a lower 2018/19 CFR. However, by 2021/22, the forecast CFR is higher due to the reduction in anticipated receipts. The impact of the CFR changes on the revenue budget will continue to be monitored and provided for within the Council’s financial strategy.

	Last forecast (2017/18 Outturn)	Current forecast
General Fund CFR	£m	£m
2018/19 Closing CFR *	63.01	54.65
2021/22 Closing CFR *	66.11	71.14

\* Headline CFR excludes Schools Windows, PFI, leases and deferred costs of disposal

The proposals for King Street West and Hammersmith Town Hall refurbishment continue to be taken forward. The approved capital programme includes a budget envelope of £50m, to provide operational flexibility, for taking forward major projects (which include King Street West and Hammersmith Town Hall). Use of this budget is subject to relevant Member approval, agreement of funding sources and sign-off of an appropriate business case. Expenditure above the £50m envelope will require approval by Full Council. The current CFR forecast excludes the above budget except for £7.4m for previously approved as part of Corporate Planned Maintenance Programme budget.

- 1.4. Within the overall capital programme there has been slippage of £15.7m regarding the Housing Revenue Account. £4.7m of slippage relates to HRA schemes and £11m to Decent Neighbourhoods. 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 £20.3m of S106 receipts of which £3.3m has been received to date, with the balance projected to be received as developments proceed.
  - Following the recent signing of an agreement with the GLA the council must pass its unspent 1-4-1 receipts to the GLA but has a further three years to draw down on these to fund the delivery of affordable housing specifically in the borough.

These risks are explained in more detail in section 7 of the report.

- 1.5 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 £2-£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 2018/19 and future years if the position is not carefully managed on an ongoing basis.

## **2. RECOMMENDATIONS**

- 2.1 To approve the proposed budget variations to the capital programme totalling £35.2m (summarised in Table 1 and detailed in Appendix 2).
- 2.2 To add a further £1.02m to the Capital Programme regarding the Disabled Facilities Grant allocation with the decision on how it is spent delegated to the Strategic Director of Adult Social Care and Public Service Reform in consultation with the Strategic Director of Finance and Governance and the Cabinet Member for Health and Adult Social Care and Cabinet Member for Finance and Commercial Services.
- 2.3 To approve the write-off of £180k of General Fund deferred costs of disposals, in relation to the reduced forecast capital receipts, from the earmarked Corporate Property Reserve. Further details are provided in section 6.3 of the report.
- 2.4 To note the issues regarding General Fund Capital Programme described in sections 5 and 6 of the report.

## **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 2018-19 –Q1 OVERVIEW

4.1. The Council's capital programme as at the end of the first quarter 2018/19 – including proposed variations – is summarised in Table 1 below. A full analysis of elements of the programme funded from internal Council resource is included in section 6.

**Table 1 – LBHF Capital Programme 2018-22 with proposed 2018/19 Q1 Variations**

	Analysis of Movements (Revised budget to Q1)						Indicative Future Years Analysis				
	2018/19 Budget (Full Council Feb '18) £'000	2018/19 Revised Budget as @ 2017/18 Outturn £'000	Slippages from/(to) future years £'000	Addition/(Reduction) £'000	Transfers £'000	Total Variations (Q1) £'000	Revised Budget 2018/19 (Q1) £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total Budget (All years) £'000
<b>CAPITAL EXPENDITURE</b>											
Children's Services	19,800	24,151	(11,740)	-	(548)	(12,288)	11,863	12,071	-	-	23,934
Adult Social Care	20	1,389	-	-	-	-	1,389	937	-	-	2,326
Residents' Services	15,417	24,806	(7,701)	(78)	-	(7,779)	17,027	18,479	7,208	7,208	49,922
Finance & Governance	-	930	-	-	-	-	930	-	-	-	930
General Fund Schemes under Housing management	2,050	3,148	(755)	711	548	504	3,652	2,055	450	450	6,607
<b>Sub-total (Non-Housing)</b>	<b>37,287</b>	<b>54,424</b>	<b>(20,196)</b>	<b>633</b>	<b>-</b>	<b>(19,563)</b>	<b>34,861</b>	<b>33,542</b>	<b>7,658</b>	<b>7,658</b>	<b>83,719</b>
HRA Programme	45,540	28,000	(5,293)	628	-	(4,665)	23,335	39,045	36,249	35,000	133,629
Decent Neighbourhoods Programme	30,583	27,158	(11,131)	135	-	(10,996)	16,162	27,917	26,650	16,556	87,285
<b>Sub-total (Housing)</b>	<b>76,123</b>	<b>55,158</b>	<b>(16,424)</b>	<b>763</b>	<b>-</b>	<b>(15,661)</b>	<b>39,497</b>	<b>66,962</b>	<b>62,899</b>	<b>51,556</b>	<b>220,914</b>
<b>Total Expenditure</b>	<b>113,410</b>	<b>109,582</b>	<b>(36,620)</b>	<b>1,396</b>	<b>-</b>	<b>(35,224)</b>	<b>74,358</b>	<b>100,504</b>	<b>70,557</b>	<b>59,214</b>	<b>304,633</b>
<b>CAPITAL FINANCING</b>											
<b>Specific/External Financing:</b>											
Government/Public Body Grants	8,061	14,096	(106)	711	(548)	57	14,153	4,040	2,157	2,447	22,797
Grants and Contributions from Private Developers (includes S106)	9,285	14,374	(1,907)	177	548	(1,182)	13,192	2,811	17,026	-	33,029
Leaseholder Contributions (Housing)	4,390	8,682	-	(3,642)	-	(3,642)	5,040	3,891	4,543	4,485	17,959
<b>Sub-total - Specific Financing</b>	<b>21,736</b>	<b>37,152</b>	<b>(2,013)</b>	<b>(2,754)</b>	<b>-</b>	<b>(4,767)</b>	<b>32,385</b>	<b>10,742</b>	<b>23,726</b>	<b>6,932</b>	<b>73,785</b>
<b>Mainstream Financing (Internal):</b>											
Capital Receipts - General Fund	1,920	2,749	(652)	-	652	-	2,749	2,027	3,201	2,590	10,567
Capital Receipts - Housing*	24,538	21,253	(11,268)	4,405	-	(6,863)	14,390	16,906	13,095	9,969	54,360
Revenue funding - General Fund	521	837	-	(255)	-	(255)	582	521	521	521	2,145
Revenue Funding - HRA	4,563	-	-	-	-	-	-	0	5,172	5,500	10,672
Major Repairs Reserve (MRR) [Housing]	16,165	16,213	-	-	-	-	16,213	15,926	15,921	16,668	64,728
Earmarked Reserves (Revenue)	-	3,089	-	1,000	-	-	2,089	10,000	850	-	12,939
<b>Sub-total - Mainstream Funding</b>	<b>47,707</b>	<b>44,141</b>	<b>(12,920)</b>	<b>4,150</b>	<b>652</b>	<b>(8,118)</b>	<b>36,023</b>	<b>45,380</b>	<b>38,760</b>	<b>35,248</b>	<b>155,411</b>
<b>Internal Borrowing</b>	<b>43,967</b>	<b>28,289</b>	<b>(21,687)</b>	<b>0</b>	<b>(652)</b>	<b>(22,339)</b>	<b>5,950</b>	<b>44,382</b>	<b>8,071</b>	<b>17,034</b>	<b>75,437</b>
<b>Total Capital Financing</b>	<b>113,410</b>	<b>109,582</b>	<b>(36,620)</b>	<b>1,396</b>	<b>-</b>	<b>(35,224)</b>	<b>74,358</b>	<b>100,504</b>	<b>70,557</b>	<b>59,214</b>	<b>304,633</b>

\*Capital Receipts include use of brought forward Housing receipts

4.2. A net variation to the 2018/19 programme of **£(35.2)m** is proposed, decreasing total budgeted expenditure from £109.6m to £74.4m. Of the proposed net variation, £(36.6)m relates to slippages to future financial years (largest schemes being Corporate Planned Maintenance budget set aside for Hammersmith Town Hall Refurbishment £5.8m, School Windows Programme £11.7m and Housing Schemes £16.4m). The remaining £1.4m variation relates primarily to growth in the programme where new schemes have been approved, 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. The capital programme presented here for 2018/19 and future years is based on approved projects and known funding allocations. These currently exclude Hammersmith Town Hall refurbishment (except £7.4m previously approved as part of Corporate Planned Maintenance Programme budget) and any other large projects which might be approved in the future years. The indicative future years analysis (2019 onwards) 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.

- 4.4. Future Capital Financing Requirement (CFR) and Minimum Revenue Provision (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 current forecast for General Fund Headline<sup>1</sup> CFR (excluding schools' windows borrowing) is **£54.65m** at the end of 2018/19. The increase of £4.17m in CFR in comparison to 2017/18 year-end position is mainly due to slippages in mainstream programme from 2017/18. Table 2 below presents the forecast CFR position.

**Table 2 – General Fund CFR at Q1 2018/19 (including future years forecast)**

GENERAL FUND CFR ANALYSIS	2017/18	2018/19	2019/20	2020/21	2021/22
CFR EXCLUDING SCHOOLS WINDOWS	£m	£m	£m	£m	£m
<b>Opening Capital Finance Requirement (CFR)</b>	<b>47.25</b>	<b>50.48</b>	<b>54.65</b>	<b>68.66</b>	<b>69.61</b>
Revenue Repayment of Debt (MRP)	(0.17)	(0.28)	(0.37)	(0.83)	(0.86)
Mainstream Programme (Surplus)/Shortfall	3.41	4.45	14.38	1.78	2.39
<b>Closing Capital Finance Requirement (CFR)</b>	<b>50.48</b>	<b>54.65</b>	<b>68.66</b>	<b>69.61</b>	<b>71.14</b>
<b>SCHOOLS WINDOWS</b>					
<b>Opening Capital Finance Requirement (CFR)</b>	<b>3.57</b>	<b>6.63</b>	<b>8.00</b>	<b>19.42</b>	<b>18.64</b>
Revenue Repayment of Debt (MRP)	(0.09)	(0.13)	(0.32)	(0.78)	(0.75)
Internal Borrowing (Schools Window Replacement)	3.14	1.50	11.74	-	-
<b>Closing Capital Finance Requirement (CFR)</b>	<b>6.63</b>	<b>8.00</b>	<b>19.42</b>	<b>18.64</b>	<b>17.90</b>
<b>Total Headline Capital Finance Requirement (CFR)</b>	<b>57.11</b>	<b>62.65</b>	<b>88.07</b>	<b>88.25</b>	<b>89.04</b>
Finance leases/PFI/ Deferred costs of disposal	10.33	9.53	8.73	7.93	7.13
<b>Total Closing CFR</b>	<b>67.44</b>	<b>72.18</b>	<b>96.80</b>	<b>96.18</b>	<b>96.17</b>

- 5.2. The Housing Revenue Account (HRA) CFR is shown in Table 3 below:

**Table 3 – HRA CFR at Q1 2018/19 (including future years forecast)**

HRA CFR Forecast	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
Closing Forecast HRA CFR (excluding deferred costs of disposal)	204.85	204.85	223.11	229.41	244.05
Deferred Costs of Disposal	5.42	6.02	7.19	8.39	9.78
<b>Closing Forecast HRA CFR (including deferred costs of disposal)</b>	<b>210.26</b>	<b>210.86</b>	<b>230.30</b>	<b>237.79</b>	<b>253.83</b>

- 5.3. The General Fund CFR remains heavily dependent on the timing and certainty of capital receipts forecasts. Where receipts are not available to fund mainstream expenditure, and no other sources of funding can be found, internal borrowing will increase. This will increase the CFR.
- 5.4. The CFR is furthermore sensitive to any transfer of assets between the HRA and the General Fund (a process known as 'appropriation').
- 5.5. The Council is also reviewing how it can most effectively deliver the future efficiency programme. This may require additional capital investment.
- 5.6. These combined issues may result in further general fund revenue pressures.

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



5.7. Housing CFR contains deferred costs of disposals mainly related to the Earls Court project. If the project does not proceed, these costs will become a revenue risk for both the HRA and to lesser extent the General Fund. The forecast amount of these costs by the end of 2021/22 is £9.8m.

## 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.

**Table 4 – General Fund Mainstream Programme 2018-22 with proposed 2018/19 Q1 variations**

	Revised Budget 2018/19 £'000	Variations (Q1) £'000	Revised Budget 2018/19 (Q1) £'000	Indicative Budget 2019/20 £'000	Indicative Budget 2020/21 £'000	Indicative Budget 2021/22 £'000	Total Budget (All years) £'000
<b>Approved Expenditure</b>							
<b>Ad Hoc Schemes:</b>							
Hammersmith Town Hall Refurbishment (Mainstream Element/CPMP) [RES]	6,502	(5,908)	594	5,833	936	-	7,363
Invest to Save-Flexible Use of Capital Receipts	930	-	930	-	-	-	930
Carnwath Road [RES]	-	-	-	3,070	-	-	3,070
<b>Rolling Programmes:</b>							
Disabled Facilities Grant [ASC]	955	(652)	303	1,102	450	450	2,305
Planned Maintenance/DDA Programme [RES]	3,699	(1,793)	1,906	4,368	1,564	2,500	10,338
Footways and Carriageways [RES]	3,054	-	3,054	2,030	2,030	2,030	9,144
Parks Programme [RES]	410	-	410	-	-	-	410
<b>Total Mainstream Programmes</b>	<b>15,550</b>	<b>(8,353)</b>	<b>7,197</b>	<b>16,403</b>	<b>4,980</b>	<b>4,980</b>	<b>33,559</b>
<b>Financing</b>							
Capital Receipts	2,749	-	2,749	2,027	3,201	2,590	10,567
Increase/(Decrease) in Internal Borrowing	12,801	(8,353)	4,448	14,376	1,780	2,390	22,993
<b>Total Financing</b>	<b>15,550</b>	<b>(8,353)</b>	<b>7,197</b>	<b>16,403</b>	<b>4,980</b>	<b>4,980</b>	<b>33,559</b>

6.2. The 2018/19 mainstream programme has decreased by £8.4m in comparison to previously forecast budget of £15.5m. This is mainly due to slippages and re-profiling of the current capital schemes to future years.

6.3. Forecast General Fund capital receipts for 2018/19 are currently £2.7m. £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.

6.4. £2.4m of Disabled Facilities Grant was received in 2017/18 and 2018/19, of which £1.38m has been allocated to fund adaptation works for residents. It is recommended that the balance of grant (£1.02m) be included within the capital programme with a decision on how it is applied delegated to the Strategic Director of Social Care and Public Service Reform in consultation with the Strategic Director of Finance and Governance and the Cabinet Members for Health and Adult Social Care and Finance and Commercial Services.

6.5. Cabinet received an update on the King Street Renewal scheme on 9<sup>th</sup> July. The approved capital programme includes a budget envelope of £50m, to provide operational flexibility, for taking forward major projects (which include King Street West and Hammersmith Town Hall). Use of this budget is subject to relevant Member

approval, agreement of funding sources and sign-off of an appropriate business case. Expenditure above the £50m envelope will require approval by Full Council.

## 7. HOUSING CAPITAL PROGRAMME

- 7.1. Housing Capital expenditure for 2018/19 is forecast to outturn at £39.5m and for the four-year programme to 2021/22 spend is to be £220.9m. The expenditure and resource analysis of the Housing Programme is summarised in Table 5 below:

**Table 5 – Housing Capital Programme 2018-22 with proposed 2018/19 Q1 Variations**

	2018/19 Revised Budget £'000	Total Variations (Q1) £'000	2018/19 Revised Budget (Q1) £'000	Indicative 2019/20 Budget £'000	Indicative 2020/21 Budget £'000	Indicative 2021/22 Budget £'000
<b>Approved Expenditure</b>						
Decent Neighbourhood Schemes	27,158	(10,996)	<b>16,162</b>	27,917	26,651	16,556
HRA Schemes	28,000	(4,665)	<b>23,335</b>	39,045	36,249	35,000
<b>Total Housing Programme - Approved Expenditure</b>	<b>55,158</b>	<b>(15,661)</b>	<b>39,497</b>	<b>66,962</b>	<b>62,900</b>	<b>51,556</b>
<b>Available and Approved Resource</b>						
Capital Receipts - Unrestricted	7,922	(376)	<b>7,546</b>	5,547	4,090	4,090
Capital Receipts - RTB (141)	13,330	(6,486)	<b>6,844</b>	11,359	9,005	5,879
Housing Revenue Account (revenue funding)	-	-	-	-	5,172	5,500
Major Repairs Reserve (MRR)	16,213	-	<b>16,213</b>	15,926	15,921	16,668
Contributions Developers (S106)	3,494	(1,910)	<b>1,584</b>	1,703	17,026	-
Repayment of NHHT loan	270	-	<b>270</b>	270	-	290
Contributions from leaseholders	8,682	(3,642)	<b>5,040</b>	3,891	4,543	4,485
Use of reserves (Fire Safety EMR)	3,000	(1,000)	<b>2,000</b>	10,000	850	-
<b>Internal Borrowing</b>	<b>2,247</b>	<b>(2,247)</b>	<b>-</b>	<b>18,267</b>	<b>6,293</b>	<b>14,644</b>
<b>Total Funding</b>	<b>55,158</b>	<b>(15,661)</b>	<b>39,497</b>	<b>66,962</b>	<b>62,900</b>	<b>51,556</b>

- 7.2 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.
- 7.3 The 2018/19 – 2021/22 Housing Capital Programmes are fully funded however the capital financing requirement (CFR) is expected to rise to £253.8m which is within £0.8m of the Housing Revenue Account (HRA) debt cap.
- 7.4 Forecast spend for 2018/19 Housing HRA Schemes is £23.3m, £4.7m below the revised approved budget of £28m. This is due to:
- Slippage to future years because of delays in work starting while ongoing compliance checks happen on the planned programme
  - A £0.6m addition to the CCTV Programme driven by an expanded CCTV delivery schedule
- 7.5 The forecasts will be further refined 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.

7.6 Included in the HRA schemes are the following Health & Safety related works:

Health and Safety related spend included in the minor works programme plus Estate CCTV	Original Full Year Budget	Revised Budget at previous year outturn	Full year forecast at June 2018	Forecasted variance to original budget	Actual Spend to June 2018
	£'000	£'000	£'000	£'000	£'000
<b>APPROVED SCHEMES</b>					
Fire safety Improvements	1,700	2,462	1,111	(589)	
Fire Safety Plus Capital Works	15,000	3,000	2,000	(13,000)	174
Warden Call System Upgrade	882	1,018	414	(468)	4
Roseford, Woodford, Shepherds extract systems		26	26	26	
Edward Woods communal extract system	200	300	200		
Estate CCTV	180	470	1,098	918	
Melrose Terrace controlled access		33			
Controlled Access continuing programme	750	833	249	(501)	
<b>Total</b>	<b>18,712</b>	<b>8,141</b>	<b>5,097</b>	<b>(13,615)</b>	<b>178</b>

Decent Neighbourhoods Programme Capital Monitoring - 2018/19					
HRA Capital Programme: Health & Safety Related Spend in other sections of the HRA Capital Programme					
2018-19 budget, latest forecast and spend at P-3 (June 2018)					
	Original Full Year Budget	Revised Budget at previous year outturn	Full year forecast at June 2018	Forecasted variance to original budget	Actual Spend to June 2018
	£'000	£'000	£'000	£'000	£'000
<b>APPROVED SCHEMES</b>					
Kitchen and Bathroom modernisation	250	480	477	227	Modernisation of older and run down kitchens and bathrooms has positive implications for the residents' hygiene and safety; hence a small proportion of this spend can be considered to be health and safety related.
Planned individual boiler replacement programme	1,075	1,219	1,209	134	208 Replacement of older boilers has positive implications for resident safety; hence a small proportion of this spend can be considered to be health and safety related.
Banim Street, Munden St, Swanbank Ct boilers	280	291	400	120	Communal heating programme has positive implications for resident health; hence a small proportion of this spend can be considered to be health and safety related.
Farm Lane & Wheatshaf, Malabar Ct boilers	342	342	342		Communal heating programme has positive implications for resident health; hence a small proportion of this spend can be considered to be health and safety related.
Water Supply/continuing programme	100	150		(100)	This is a contingency budget to allow for replacement of communal water tanks; it has positive implications for resident health; hence a small proportion of this spend can be considered to be health and safety related.
Landlord's electrical installations	750	931	494	(256)	Electrical installations have implications for fire and other risks.
Estate Lighting	150	282	252	102	Improvement of lighting conditions in housing estates has positive impact on the level of safety and reduced anti-social behaviour.
<b>Total</b>	<b>2,947</b>	<b>3,696</b>	<b>3,174</b>	<b>227</b>	<b>208</b>

7.7 The Decent Neighbourhood Schemes forecast spend for 2018/19 is £11m less than the revised approved budget. £6.5m of this relates to reprofiling on the Housing Direct Delivery Project while projects are reviewed<sup>2</sup> and £4.6m to reprofiling on the Affordable Housing Delivery Framework, with the balance of £0.1m being small movements elsewhere on the programme.

7.8 The following risks in relation to funding of the current capital schemes have been identified:

- Uncertainty over securing S106 receipts to fund the Housing Development Programme and Edith Summerskill redevelopment schemes - £20.3m of S106 funding has been forecast to fund capital expenditure in the period 2018/19-2020/21. £3.3m of this is currently in hand and there are two large receipts from the M&S White City Site for £9.6m and £7.3m that are expected and needed by 2021/22 to fund the programme.
- Following the recent signing of an agreement with the GLA the council must pass its unspent 1-4-1 receipts to the GLA but has a further three years to draw down on these to fund the delivery of affordable housing specifically in the Borough. The current forecast assumes the use of retained receipts will be maximised on the existing programme, with any receipts passed to the GLA being utilised by the unallocated Affordable Housing Delivery Framework budget. Future reports will show the forecasted use of the receipts passed to the GLA as well as the Council's own RTB 141 money.

<sup>2</sup> Moving schemes from directly delivery to the affordable housing framework has the potential to free up HRA, however this would mean writing off to revenue some or all the costs incurred to date.

- 7.9 We continue to carefully manage the risks to ensure that the HRA can meet the Council's obligations to residents of Council Homes while not breaching the debt cap or going into deficit position.

## **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 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 £2-£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**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Capital Programme 2018-22 (Published Feb 2018)	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						Indicative Future Years Analysis				
	Analysis of Movements (Revised budget to Q1)						Revised Budget 2018/19 (Q1)	2019/20 Budget	2020/21 Budget	2021/22 Budget	Total Budget (All years)
	2018/19 Budget (Full Council Feb '18)	2018/19 Revised Budget as @ 2017/18 Outturn	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Scheme Expenditure Summary</b>											
Lyric Theatre Development	1,100	548	-	-	(548)	(548)	-	-	-	-	-
Schools Organisational Strategy	5,615	9,673	-	-	-	-	9,673	331	-	-	10,004
Schools Window Replacement Project	13,085	13,240	(11,740)	-	-	(11,740)	1,500	11,740	-	-	13,240
Other Capital Schemes	-	690	-	-	-	-	690	-	-	-	690
<b>Total Expenditure</b>	<b>19,800</b>	<b>24,151</b>	<b>(11,740)</b>	<b>-</b>	<b>(548)</b>	<b>(12,288)</b>	<b>11,863</b>	<b>12,071</b>	<b>-</b>	<b>-</b>	<b>23,934</b>
<b>Capital Financing Summary</b>											
<b>Specific/External or Other Financing</b>											
Capital Grants from Central Government	4,184	8,422	-	-	-	-	8,422	-	-	-	8,422
Grants and Contributions from Private Developers (includes S106)	1,406	1,941	-	-	-	-	1,941	331	-	-	2,272
Capital Grants/Contributions from Non-departmental public bodies	1,100	548	-	-	(548)	(548)	-	-	-	-	-
<b>Sub-total - Specific or Other Financing</b>	<b>6,690</b>	<b>10,911</b>	<b>-</b>	<b>-</b>	<b>(548)</b>	<b>(548)</b>	<b>10,363</b>	<b>331</b>	<b>-</b>	<b>-</b>	<b>10,694</b>
<b>Mainstream Financing (Internal Council Resource)</b>											
Capital Receipts	25	-	-	-	-	-	-	-	-	-	-
<b>Sub-total - Mainstream Funding</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing - non school windows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing - school windows</b>	<b>13,085</b>	<b>13,240</b>	<b>(11,740)</b>	<b>-</b>	<b>-</b>	<b>(11,740)</b>	<b>1,500</b>	<b>11,740</b>	<b>-</b>	<b>-</b>	<b>13,240</b>
<b>Total Capital Financing</b>	<b>19,800</b>	<b>24,151</b>	<b>(11,740)</b>	<b>-</b>	<b>(548)</b>	<b>(12,288)</b>	<b>11,863</b>	<b>12,071</b>	<b>-</b>	<b>-</b>	<b>23,934</b>

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

**Adult Social Care Services**

**Scheme Expenditure Summary**

Extra Care New Build project (Adults' Personal Social Services Grant)
Community Capacity Grant
Transforming Care (Winterbourne Grant)
Social Care Capital Grant

**Total Expenditure**

**Capital Financing Summary**

**Specific/External or Other Financing**

Capital Grants from Central Government
Capital Grants/Contributions from Non-departmental public bodies
<b>Sub-total - Specific or Other Financing</b>

**Mainstream Financing (Internal Council Resource)**

Capital Receipts
<b>Sub-total - Mainstream Funding</b>

**Borrowing**

**Total Capital Financing**

Current Year Programme							Indicative Future Years Analysis			
Analysis of Movements (Revised budget to Q1)							2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget (All years) £'000
2018/19 Budget (Full Council Feb '18) £'000	2018/19 Revised Budget as @ 2017/18 Outturn £'000	Slippages from/(to) future years £'000	Additions/(Reductions) £'000	Transfers £'000	Total Transfers/Virements £'000	Revised Budget 2018/19 (Q1) £'000				
20	20	-	-	-	-	20	937	-	-	957
-	2	-	-	-	-	2	-	-	-	2
-	300	-	-	-	-	300	-	-	-	300
-	1,067	-	-	-	-	1,067	-	-	-	1,067
<b>20</b>	<b>1,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,389</b>	<b>937</b>	<b>-</b>	<b>-</b>	<b>2,326</b>
20	1,089	-	-	-	-	1,089	937	-	-	2,026
-	300	-	-	-	-	300	-	-	-	300
<b>20</b>	<b>1,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,389</b>	<b>937</b>	<b>-</b>	<b>-</b>	<b>2,326</b>
-	-	-	-	-	-	-	-	-	-	-
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
-	-	-	-	-	-	-	-	-	-	-
<b>20</b>	<b>1,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,389</b>	<b>937</b>	<b>-</b>	<b>-</b>	<b>2,326</b>



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

Residents' Services	Current Year Programme						Indicative Future Years Analysis				
	2018/19 Budget (Full Council Feb '18) £'000	2018/19 Revised Budget as @ 2017/18 Outturn £'000	Analysis of Movements (Revised budget to Q1)				Revised Budget 2018/19 (Q1) £'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					
<b>Scheme Expenditure Summary</b>											
Planned Maintenance/DDA Programme (CPMP agreed)	3,190	3,699	-	-	(1,793)	(1,793)	1,906	1,688	1,564	-	5,158
Planned Maintenance/DDA Programme (CPMP reserved)	-	-	(1,932)	-	1,932	-	-	2,680	-	2,500	5,180
King Street-Town Hall Redevelopment	6,274	6,502	(5,769)	-	(139)	(5,908)	594	5,833	936	-	7,363
Footways and Carriageways	2,030	3,054	-	-	-	-	3,054	2,030	2,030	2,030	9,144
Transport For London Schemes	2,157	2,989	-	-	-	-	2,989	2,157	2,157	2,157	9,460
Controlled Parking Zones	275	309	-	(255)	-	(255)	54	275	275	275	879
Column Replacement	246	524	-	-	-	-	524	246	246	246	1,262
Carnwath Road	-	-	-	-	-	-	-	3,070	-	-	3,070
Hammersmith Bridge Strengthening	-	-	-	-	-	-	-	-	-	-	-
LED Lighting Replacement Programme	-	1,019	-	-	-	-	1,019	-	-	-	1,019
P&D Upgrade and Pay by Phone	-	1,132	-	-	-	-	1,132	-	-	-	1,132
Other Capital Schemes	-	2,301	-	-	-	-	2,301	-	-	-	2,301
Parks Expenditure	845	2,615	-	177	-	177	2,792	500	-	-	3,292
Shepherds Bush Common Improvements	400	503	-	-	-	-	503	-	-	-	503
Recycling	-	19	-	-	-	-	19	-	-	-	19
CCTV	-	140	-	-	-	-	140	-	-	-	140
<b>Total Expenditure</b>	<b>15,417</b>	<b>24,806</b>	<b>(7,701)</b>	<b>(78)</b>	<b>-</b>	<b>(7,779)</b>	<b>17,027</b>	<b>18,479</b>	<b>7,208</b>	<b>7,208</b>	<b>49,922</b>
<b>Capital Financing Summary</b>											
<b>Specific/External or Other Financing</b>											
Grants and Contributions from Private Developers (includes S106)	1,245	7,252	-	177	-	177	7,429	500	-	-	7,929
Capital Grants and Contributions from GLA Bodies	2,157	2,961	-	-	-	-	2,961	2,157	2,157	2,157	9,432
<b>Sub-total - Specific or Other Financing</b>	<b>3,402</b>	<b>10,213</b>	<b>-</b>	<b>177</b>	<b>-</b>	<b>177</b>	<b>10,390</b>	<b>2,657</b>	<b>2,157</b>	<b>2,157</b>	<b>17,361</b>
<b>Mainstream Financing (Internal Council Resource)</b>											
Capital Receipts	1,445	864	-	-	652	652	1,516	925	2,751	2,140	7,332
General Fund Revenue Account (revenue funding)	521	837	-	(255)	-	(255)	582	521	521	521	2,145
Use of Reserves	-	89	-	-	-	-	89	-	-	-	89
<b>Sub-total - Mainstream Funding</b>	<b>1,966</b>	<b>1,790</b>	<b>-</b>	<b>(255)</b>	<b>652</b>	<b>397</b>	<b>2,187</b>	<b>1,446</b>	<b>3,272</b>	<b>2,661</b>	<b>9,566</b>
<b>Borrowing</b>	<b>10,049</b>	<b>12,803</b>	<b>(7,701)</b>	<b>-</b>	<b>(652)</b>	<b>(8,353)</b>	<b>4,450</b>	<b>14,376</b>	<b>1,779</b>	<b>2,390</b>	<b>22,995</b>
<b>Total Capital Financing</b>	<b>15,417</b>	<b>24,806</b>	<b>(7,701)</b>	<b>(78)</b>	<b>-</b>	<b>(7,779)</b>	<b>17,027</b>	<b>18,479</b>	<b>7,208</b>	<b>7,208</b>	<b>49,922</b>

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

Finance & Governance	Current Year Programme							Indicative Future Years Analysis			
	Analysis of Movements (Revised budget to Q1)							2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget (All years) £'000
	2018/19 Budget (Full Council Feb '18) £'000	2018/19 Revised Budget as @ 2017/18 £'000	Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000	Revised Budget 2018/19 (Q1) £'000				
<b>Scheme Expenditure Summary</b>											
Invest to Save - Flexible Use of Capital Receipts	-	930	-	-	-	-	930	-	-	-	930
Desktop Strategy	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	-	930	-	-	-	-	930	-	-	-	930
<b>Capital Financing Summary</b>											
<b>Mainstream Financing (Internal Council Resource)</b>											
Capital Receipts	-	930	-	-	-	-	930	-	-	-	930
<b>Sub-total - Mainstream Funding</b>	-	930	-	-	-	-	930	-	-	-	930
<b>Borrowing</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Financing</b>	-	930	-	-	-	-	930	-	-	-	930

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

General Fund Schemes under Housing management	Current Year Programme							Indicative Future Years Analysis				
	Analysis of Movements (Revised budget to Q1)							2019/20 Budget	2020/21 Budget	2021/22 Budget	Total Budget (All years)	
	2018/19 Budget (Full Council Feb '18)	2018/19 Revised Budget as @ 2017/18 Outturn	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2018/19 (Q1)					£'000
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Scheme Expenditure Summary</b>												
Disabled Facilities Grant	450	955	(652)	711	-	59	1,014	1,102	450	450	3,016	
Sands End Community Centre	1,600	2,193	(103)	-	-	(103)	2,090	953	-	-	3,043	
Lyric Theatre Development	-	-	-	-	548	548	548	-	-	-	548	
<b>Total Expenditure</b>	<b>2,050</b>	<b>3,148</b>	<b>(755)</b>	<b>711</b>	<b>548</b>	<b>504</b>	<b>3,652</b>	<b>2,055</b>	<b>450</b>	<b>450</b>	<b>6,607</b>	
<b>Capital Financing Summary</b>												
<b>Specific/External or Other Financing</b>												
Capital Grants from Central Government	-	-	-	711	-	711	711	-	-	-	711	
Grants and Contributions from Private Developers (includes S106)	1,000	1,687	3	-	548	551	2,238	277	-	-	2,515	
Capital Grants/Contributions from Non-departmental public bodies	600	506	(106)	-	-	(106)	400	676	-	-	1,076	
<b>Sub-total - Specific or Other Financing</b>	<b>1,600</b>	<b>2,193</b>	<b>(103)</b>	<b>711</b>	<b>548</b>	<b>1,156</b>	<b>3,349</b>	<b>953</b>	<b>-</b>	<b>-</b>	<b>4,302</b>	
<b>Mainstream Financing (Internal Council Resource)</b>												
Capital Receipts (GF)	450	955	(652)	-	-	(652)	303	1,102	450	450	2,305	
<b>Sub-total - Mainstream Funding</b>	<b>450</b>	<b>955</b>	<b>(652)</b>	<b>-</b>	<b>-</b>	<b>(652)</b>	<b>303</b>	<b>1,102</b>	<b>450</b>	<b>450</b>	<b>2,305</b>	
<b>Borrowing (Internal Borrowing-GF)</b>												
	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Capital Financing</b>	<b>2,050</b>	<b>3,148</b>	<b>(755)</b>	<b>711</b>	<b>548</b>	<b>504</b>	<b>3,652</b>	<b>2,055</b>	<b>450</b>	<b>450</b>	<b>6,607</b>	

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

Housing Capital Programme	Current Year Programme							Indicative Future Years Analysis			
	Analysis of Movements (Revised budget to Q1)							2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget (All years) £'000
	2018/19 Budget (Full Council Feb '18) £'000	2018/19 Revised Budget as @ 2017/18 Outturn £'000	Slippages from/(to) future years £'000	Additions/(Reductions) £'000	Transfers £'000	Total Transfers/Virements £'000	Revised Budget 2018/19 (Q1) £'000				
<b>Scheme Expenditure Summary</b>											
<b>HRA Schemes:</b>											
Other HRA Capital Schemes	30,540	25,000	(4,293)	628	-	(3,665)	21,335	29,045	29,393	35,000	114,773
Fire Safety Plus	15,000	3,000	(1,000)	-	-	(1,000)	2,000	10,000	6,856	-	18,856
<b>Subtotal HRA</b>	<b>45,540</b>	<b>28,000</b>	<b>(5,293)</b>	<b>628</b>	<b>-</b>	<b>(4,665)</b>	<b>23,335</b>	<b>39,045</b>	<b>36,249</b>	<b>35,000</b>	<b>133,629</b>
<b>Decent Neighbourhood Schemes:</b>											
Earls Court Buy Back Costs	4,062	4,929	-	308	-	308	5,237	2,446	5,866	6,255	19,804
Earls Court Project Team Costs	926	926	-	(325)	-	(325)	601	1,170	1,198	1,390	4,359
Housing Development Project	8,554	7,471	(6,506)	(10)	-	(6,516)	955	9,816	993	-	11,764
Stanhope Joint Venture	5,592	1,869	-	650	-	650	2,519	11,392	15,835	6,317	36,063
Other HRA	375	5,074	-	(813)	(4,152)	(4,965)	109	-	-	-	109
Affordable Housing Delivery Framework	12,000	7,815	(4,625)	-	-	(4,625)	3,190	4,263	3,956	3,984	15,393
Property Acquisition (Other Buybacks)	-	-	-	-	4,152	4,152	4,152	-	-	-	4,152
<b>Subtotal Decent Neighbourhoods</b>	<b>31,509</b>	<b>28,084</b>	<b>(11,131)</b>	<b>(190)</b>	<b>-</b>	<b>(11,321)</b>	<b>16,763</b>	<b>29,087</b>	<b>27,848</b>	<b>17,946</b>	<b>91,644</b>
<b>Total Expenditure</b>	<b>77,049</b>	<b>56,084</b>	<b>(16,424)</b>	<b>438</b>	<b>-</b>	<b>(15,986)</b>	<b>40,098</b>	<b>68,132</b>	<b>64,097</b>	<b>52,946</b>	<b>225,273</b>
Adjustment for deferred costs	(926)	(926)	-	325	-	325	(601)	(1,170)	(1,198)	(1,390)	(4,359)
<b>Total Net Expenditure</b>	<b>76,123</b>	<b>55,158</b>	<b>(16,424)</b>	<b>763</b>	<b>-</b>	<b>(15,661)</b>	<b>39,497</b>	<b>66,962</b>	<b>62,899</b>	<b>51,556</b>	<b>220,914</b>
<b>Capital Financing Summary</b>											
<b>Specific/External or Other Financing</b>											
Contributions from leaseholders	4,390	8,682	-	(3,642)	-	(3,642)	5,040	3,891	4,543	4,485	17,959
Grants and Contributions from Private Developers (includes S106)	5,634	3,494	(1,910)	-	-	(1,910)	1,584	1,703	17,026	-	20,313
Capital Grants/Contributions from Non-departmental public bodies	-	270	-	-	-	-	270	270	-	290	830
<b>Sub-total - Specific or Other Financing</b>	<b>10,024</b>	<b>12,446</b>	<b>(1,910)</b>	<b>(3,642)</b>	<b>-</b>	<b>(5,552)</b>	<b>6,894</b>	<b>5,864</b>	<b>21,569</b>	<b>4,775</b>	<b>39,102</b>
<b>Mainstream Financing (Internal Council Resource)</b>											
Capital Receipts (HRA)	24,538	21,253	(11,268)	4,405	-	(6,863)	14,390	16,906	13,095	9,969	54,360
Housing Revenue Account (revenue funding)	4,563	-	-	-	-	-	-	-	5,172	5,500	10,672
Major Repairs Reserve (MRR) / Major Repairs	16,165	16,213	-	-	-	-	16,213	15,926	15,921	16,668	64,728
Use of Reserves (Fire Safety EMR)	-	3,000	(1,000)	-	-	(1,000)	2,000	10,000	850	-	12,850
<b>Sub-total - Mainstream Funding</b>	<b>45,266</b>	<b>40,466</b>	<b>(12,268)</b>	<b>4,405</b>	<b>-</b>	<b>(7,863)</b>	<b>32,603</b>	<b>42,832</b>	<b>35,038</b>	<b>32,137</b>	<b>142,610</b>
<b>Borrowing (Internal Borrowing-HRA)</b>	<b>20,833</b>	<b>2,246</b>	<b>(2,246)</b>	<b>-</b>	<b>-</b>	<b>(2,246)</b>	<b>-</b>	<b>18,266</b>	<b>6,292</b>	<b>14,644</b>	<b>39,202</b>
<b>Total Capital Financing</b>	<b>76,123</b>	<b>55,158</b>	<b>(16,424)</b>	<b>763</b>	<b>-</b>	<b>(15,661)</b>	<b>39,497</b>	<b>66,962</b>	<b>62,899</b>	<b>51,556</b>	<b>220,914</b>

## Appendix 2 – Analysis of Budget Variations

Variation by Service	Amount £'000
<b>Children's Services (CHS)</b>	
Schools Windows Replacement Project – slippages due to project delays as scheme is currently under review	(11,740)
Lyric Theatre – project transferred to Planning and Growth (Housing)	(548)
<b>Total CHS variations</b>	<b>(12,288)</b>
<b>Residents' Services (RES)</b>	
King Street - Hammersmith Town Hall Redevelopment - slippage due to project delays	(5,908)
Controlled Parking Zones – reduction in budget to reflect forecast spend	(255)
Parks Programme – additional budget to reflect increase in S106 funding	177
Planned Maintenance (CPMP) – slippage due to delays in Amey contract works and budget re-profiling	(1,793)
<b>Total RES variations</b>	<b>(7,779)</b>
<b>General Fund Schemes under Housing management</b>	
Disabled Facilities Grant – net variance of £59k due to £711k of additional funding received in 2018/19 and £(652)k slippage to 2018/19	59
Sands End Community Centre – slippage due to project delays	(103)
Lyric Theatre – scheme transferred from Children's Services	548
<b>Total GF Schemes under Housing management</b>	<b>504</b>
<b>Housing Capital Programme</b>	
HRA schemes – £5.3m slippage to future years because of delays in work starting while ongoing compliance checks happen on the planned programme and £0.6m addition to the CCTV Programme driven by an expanded CCTV delivery schedule	(4,665)
Earls Court Buy back Costs – additional budget to reflect forecast expenditure	308
Housing Development Project - £6.5m slippages due to delays on procurement in relation to Spring Vale and Pearscroft Rd schemes, with expected start moved for Pearscroft Road from Jul 18 to Apr 19 and for Spring Vale from Sep 18 to Jan 19. Verulam House project completed with £10k underspent variance.	(6,516)
Other HRA projects – net variance due to budget transfer of £4.152m to new scheme – Property Acquisitions (Other Buybacks) – and reduction of £813k	(4,965)
Stanhope Joint Venture – additional budget for Watermeadow Court demolition approved by Cabinet in June 2018	650
Affordable Housing Delivery Framework – slippage to align the forecast for unidentified affordable housing delivery schemes	(4,625)
Property Acquisition – Other Buybacks – budget transferred from Other HRA projects to create a new scheme	4,152
<b>Total Housing variations</b>	<b>(15,661)</b>
<b>Total 2018-19 Q1 variations</b>	<b>(35,224)</b>

### Appendix 3 – General Fund – Forecast Capital Receipts

Year/Property	Previous Forecast £'000s	Movement/ Slippage £'000s	2018/19 Forecast at Quarter 1 £'000s	Deferred Costs of Disposal reserved £'000s
<b>2018/19</b>				
<b>Total 2018/19</b>	<b>2,749</b>	<b>-</b>	<b>2,749</b>	<b>200</b>
<b>2019/20</b>				
<b>Total 2019/20</b>	<b>7,539</b>	<b>(5,512)</b>	<b>2,027</b>	<b>-</b>
<b>2020/21</b>				
<b>Total 2020/21</b>	<b>3,501</b>	<b>(301)</b>	<b>3,201</b>	<b>280</b>
<b>2021/22</b>				
<b>Total 2021/22</b>	<b>1,920</b>	<b>670</b>	<b>2,590</b>	<b>-</b>
<b>Total All Years</b>	<b>15,710</b>	<b>(5,143)</b>	<b>10,567</b>	<b>480</b>

## 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, i.e. 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;"><b>London Borough of Hammersmith &amp; Fulham</b> <b>CABINET</b> <b>8 OCTOBER 2018</b></p>	
<p><b>CORPORATE REVENUE MONITOR 2018/19 MONTH 3 – 30<sup>th</sup> JUNE 2018</b></p>	
<p><b>Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For decision and for information</b> <b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Director: Hitesh Jolapara – Strategic Director of Finance &amp; Governance</b></p>	
<p><b>Report Author: Emily Hill – Assistant Director, Corporate Finance</b></p>	<p><b>Contact Details:</b> Tel: 020 8753 3145 Emily.Hill@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 monitoring report is part of the Council's 2018/19 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 month 3 General Fund forecast outturn variance is an unfavourable **£5.118m**. Action plans of **£3.353m** are proposed as partial mitigation. If delivered they will reduce the forecast overspend to **£1.765m**.
- 1.3. The Administration are clear that there should be no overspends in any staffing budgets and where there are staffing overspends, Strategic Leadership Team (SLT) Directors must act urgently to keep spend within budget.
- 1.4. In line with many other local authorities, there is a projected overspend in 2018/19 in the High Needs Block, funded through Dedicated Schools Grant (DSG) as follows:

	<b>£m</b>
DSG deficit brought forward from 2016/17	2.165
DSG in-year deficit in 2017/18	4.867
In-year 2018/19 forecast deficit	6.400
<b>Forecasted deficit at end of 2018/19 financial year</b>	<b>13.432</b>

- 1.5. The Section 151 Officer recommends that £13.432m be set aside from reserves to cover the forecast deficit pending mitigating actions in future. This is a prudent position as this is to cover costs that are incurred and subject to mitigating actions.
- 1.6. As at 31 March 2018 the Council had earmarked reserves and general balances of £114m. Decisions have been taken that will use £28m<sup>1</sup> of the existing reserves whilst £16m have a restricted<sup>2</sup> use. The £13.432m required for the DSG deficit would further reduce the remaining balance of £70m to £57m. A review of reserves is in progress.
- 1.7. An emergent future risk is also set out regarding the Early Years element of DSG. Changes to the National Funding formula have potentially serious implications for the Borough's four maintained nursery schools.
- 1.8. The departmental appendices have been revised to provide more insight on underlying data and costs.
- 1.9. The HRA forecast is an unfavourable variance of £3.724m. The majority of this is due to additional costs expected to be incurred in relation to fire safety as part of the Fire Safety Plus programme.
- 1.10. Several underlying insights can be drawn from the report. These include:
- The need for the Council to improve further programme management and skill sets needed to deliver savings and income programmes.
  - The Council's finances continue to tighten. Relatively minor overspends are widespread with few underspend areas identified. There is little 'slack' and no indication that the position will improve without change.
  - In several key areas there is evidence of increased demand for services. For example, the number of household in temporary accommodation has increased by 460 (38%) in 3 years.

---

<sup>1</sup> This is a net figure. Budgeted contributions to reserves are £3m whilst commitments are £31m.

<sup>2</sup> Such as the Insurance Fund.

- The underlying DSG deficit of £13.4m continues to be a serious concern that the Council cannot ignore. There is further risk regarding future Early Years funding (appendix 1a).
- The impact of Grenfell and the fire safety programme continues to impact on the Housing Revenue Account (Appendix 8 - Risks).

## **2. RECOMMENDATIONS**

- 2.1. Strategic Leadership Team Directors to take urgent action to bring any staffing overspends in line with budgets.
- 2.2. To note the forecast General Fund outturn and note that officers are developing further plans to reduce the overspend for discussion with Directors and ratification by the Strategic Leadership Team.
- 2.3. To set aside £13.432m in earmarked reserves regarding the forecast DSG deficit. Further discussions are required to explore options that reduce the underlying deficit, and recover the overpayment, to reduce the reliance on reserves.
- 2.4. To note the HRA forecast overspend and note that officers are developing further plans to reduce the overspend for discussion with Directors and ratification by the Strategic Leadership Team.
- 2.5. To agree the budget virements detailed in appendix 10.

## **3. REASONS FOR DECISION**

- 3.1. To report the revenue expenditure position and comply with Financial Regulations.

## **4. MONTH 3 GENERAL FUND**

- 4.1. The forecast month 3 overspend is **£5.118m**. This compares to a forecast overspend of £4.964m at month 2 and £4.742m at month 3 last year.

**Table 1: 2018/19 General Fund Gross Forecast Outturn Variance – Month 3**

<b>Department<sup>3</sup></b>	<b>Revised budget month 3 £m</b>	<b>Forecast outturn variance month 3 £m</b>	<b>Forecast outturn variance month 2 £m</b>
Children's Services	40.377	2.777	3.121
Corporate Services	(0.042)	(.274)	0.101
Finance & Governance	2.146	0.051	0.120
Growth & Place	9.513	0.319	0.157
Public Services Reform	3.384	2.615	2.449
Residents' Services	63.179	2.147	0.885
Controlled Parking Account	(22.940)	(1.298)	(0.413)
Social Care	51.734	1.416	1.169
Centrally Managed Budgets	20.454	(.010)	0
<b>Total</b>	<b>167.805</b>	<b>7.743</b>	<b>7.589</b>
Adjustment for limiting use of the unallocated contingency to 50% (£0.850m) and not distributing the contingency (£1.775m) held for the 2018/19 pay award (Cabinet Decision Corporate Revenue Monitor Month 2).	0.000	(2.625)	(2.625)
<b>Revised Overspend</b>	<b>167.805</b>	<b>5.118</b>	<b>4.964</b>

Note: The month 2 and 3 figures include the realignment of Building Property and Maintenance Services Budgets between Growth and Place, Residents' Services, Finance and Governance and Public Services Reform

- 4.2. Action plans received from departments to mitigate the forecast overspends are summarised in table 2. All overspending departments will need to respond with further actions to reduce the net forecast overspend by year-end. Delivery of action plans has been assigned to relevant responsible officers. The forecast variance, net of planned mitigations is £1.765m (£2.338m at month 2).

<sup>3</sup> Figures in brackets represent underspends/ favourable movements

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

<b>Department</b>	<b>Gross Forecast Outturn Variance Month 3 £m</b>	<b>Potential Value of Action Plan Mitigations Month 3 £m</b>	<b>Forecast Outturn Variance Net of Planned Mitigations £m</b>
Children's Services	2.777	0.930	1.847
Corporate Services	(0.274)	0.000	(0.274)
Finance & Governance	0.051	0.200	(0.149)
Growth & Place	0.319	0.600	(0.281)
Public Services Reform	2.615	0.000	2.615
Residents' Services	2.147	1.538	0.609
Controlled Parking Account*	(1.298)	(1.298)	0.000
Social Care	1.416	1.383	0.033
Centrally Managed Budgets	(0.010)	0.000	(0.010)
<b>Total</b>	<b>7.743</b>	<b>3.353</b>	<b>4.390</b>
Adjustment for limiting use of the unallocated contingency to 50% and not distributing the contingency held for the 2018/19 pay award.	(2.625)	0.000	(2.625)
<b>Revised Overspend</b>	<b>5.118</b>	<b>3.353</b>	<b>1.765</b>

\* The mitigating actions for Residents Services include an offset against the forecast surplus for the Controlled Parking Account

## **5. CORPORATE REVENUE MONITOR 2018/19 MONTH 3 HOUSING REVENUE ACCOUNT**

- 5.1. The Housing Revenue Account is currently forecasting a deficit outturn variance of £3.724m at Month 3 (Appendix 9).

**Table 3: Housing Revenue Account Forecast Outturn - Month 3**

<b>Housing Revenue Account</b>	<b>£m</b>
<b>Balance as at 31 March 2018</b>	<b>(9.946)</b>
Less: Budgeted (contribution) / appropriation from balances	1.835
Less: Forecast adverse outturn variance	3.724
<b>Projected balance as at 31st March 2019</b>	<b>(4.387)</b>

## **6. DEDICATED SCHOOLS GRANT**

- 6.1. The cumulative total DSG deficit balance carried forward to 2018/19 was £7m with an additional £6.4m deficit forecast in 2018/19.
- 6.2. The £13.4m cumulative deficit represents the Council spending more money than it has available and will impact on future school and council resources. It is recommended that an Earmarked Reserve be set aside to cover this potential deficit.
- 6.3. A dedicated project team has identified potential options (Appendix 10) to reduce the underlying funding deficit. Officers are preparing a briefing for Cabinet.
- 6.4. An emergent risk has also been identified for 2019/20 regarding Early Years funding. The borough's four maintained Nursery Schools, who are set to lose significant funding via the new National Funding Formula regulations, are those potentially most adversely impacted.

**Table 4: Dedicated Schools Grant**

	<b>£m</b>
<b>DSG deficit brought forward from prior years</b>	<b>7.032</b>
In-year forecast deficit	6.400
<b>Forecasted deficit at end of 2018/19 financial year</b>	<b>13.432</b>

## **7. VIREMENTS & WRITE OFF REQUESTS**

- 7.1. Cabinet is required to approve all budget virements that exceed £0.1m. A request for £0.6m drawdown from the temporary accommodation reserve to fund cost avoidance payments to landlords is requested and a realignment of Residents' Services budgets totalling £0.391m.
- 7.2. As agreed in the month 2 report the decision to agree the necessary budget virements processed to align budgets to the new 2018/19 departmental structures is delegated to the Director of Finance and Governance in consultation with the Cabinet Member for Finance and Commercial Services.

## **8. CONSULTATION**

- 8.1. The Strategic Leadership Team discussed this report.

## **9. EQUALITY IMPLICATIONS**

- 9.1. As required by Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public-Sector Equality Duty and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Act, from the adjustments to the budgets required as a result of this Corporate Revenue Monitor.
- 9.2. In the event that any such adjustments might lead to a service change that could have a negative impact on groups with protected characteristics then an Equality Impact Assessment will need to be carried out.
- 9.3. In the event that any such adjustments might lead to a major service change then an Equality Impact Assessment will need to be carried out.
- 9.4. Implications completed by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

## **10. LEGAL IMPLICATIONS**

- 10.1. There are no legal implications for this report.
- 10.2. Implications verified by: Rhian Davies, Borough Monitoring Officer, tel. 07827 663794

## **11. FINANCIAL IMPLICATIONS**

- 11.1. This report is financial in nature and those implications are contained within.
- 11.2. Implications completed by: Gary Ironmonger, Finance Manager, tel. 0208 753 2109.

## **12. IMPLICATIONS FOR BUSINESS**

- 12.1. There are no implications for local businesses.
- 12.2. Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.

## **13. COMMERCIAL IMPLICATIONS**

- 13.1. The report seeks the approval of strategies developed to bring any staffing overspends in line with allocated budgets.
- 13.2. There are no procurement implications. Commercially, these strategies will have a positive impact on the Council's budgets and spending.
- 13.3. Implications completed by: Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

## **14. IT STRATEGY IMPLICATIONS**

- 14.1. There are no IT implications for this report.
- 14.2. Implications verified/completed by Howell Huws, Head of Contracts and Operations, tel. 020 8753 5025.

## **15. RISK MANAGEMENT**

- 15.1. The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.
- 15.2. Revenue expenditure against budget is monitored by regular reports to the Strategic Leadership Team and Cabinet. These reports provide a snapshot of the revenue position for each Department and for the Council as a whole, and provide details of any projected additional budget pressures and risks, or any significant under or overspends. As the Section 151 Officer, the Strategic Director of Finance and Governance is required to keep under review the financial position of the Authority. The monthly revenue monitoring is a key part of this review process. If required, measures will be put in place to address any risks identified through the monitoring process and to contain expenditure within approved budgets.
- 15.3. Effective monitoring assists in the provision of accurate and timely information to Members and officers and in particular allows services to better manage their resources. Corporate Revenue Monitoring contributes to the delivery of all Council Priorities but chiefly Being Ruthlessly Financially efficient and sound risk management.
- 15.4. The effective use of financial resources underpins the Council's activities in support of its strategic priorities. Plans to take remedial action to manage a number of the significant issues highlighted in this report where they approach and exceed our financial risk appetite and risk tolerance have been referenced in appendix 10.
- 15.5. There are a number of general risks to the Council being able to match expenditure with resources this financial year and over the Medium Term Financial Plan:-
  - Achievement of challenging savings targets.
  - Austerity imposed by national government and its impact on Local Government.
  - Brexit and the state of the UK economy.
  - Commissioning and Procurement outcomes.
  - Impact of the fall in the pound on inflation and pay.
  - Demand-led Service Pressures e.g. Adult Social Care, Child Protection etc.



- Potential adjustments which may arise from the various Grant Claims.
- Movement in interest rates.

Risks associated with specific Services are mentioned elsewhere in this report.

15.6. Implications verified/completed by: Michael Sloniowski, Risk Manager, tel. 020 8753 2587, mobile 07768 252703

## **LOCAL GOVERNMENT ACT 2000**

### **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

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

### **LIST OF APPENDICES**

Appendix	Title
Appendix 1	Children's Services Revenue Monitor
Appendix 1a	Dedicated Schools Grant
Appendix 2	Corporate Services Revenue Monitor
Appendix 3	Finance & Governance Revenue Monitor
Appendix 4	Growth & Place Revenue Monitor
Appendix 5	Public Service Reform Revenue Monitor
Appendix 6	Residents' Services Revenue Monitor
Appendix 6a	Controlled Parking Account Revenue Monitor
Appendix 7	Social Care Revenue Monitor
Appendix 8	Centrally Managed Budgets Revenue Monitor
Appendix 9	Housing Revenue Account Revenue Monitor
Appendix 10	Virement Requests

**APPENDIX 1: CHILDREN'S SERVICES**  
**BUDGET REVENUE MONITORING REPORT MONTH 3**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 3</b>	<b>Variance Month 2</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Family Services	27,681	2,568	2,736
Special Educational Needs and Disabilities	7,338	383	385
Education	872	0	0
Assets, Operations & Planning	4,576	(174)	0
School Funding	(90)	0	0
<b>TOTAL</b>	<b>40,377</b>	<b>2,777</b>	<b>3,121</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>Family Services</b>		
<p><b>Family Services Social Care Placements</b> - overspend primarily due to the continued increase in service demand, higher unit costs and more complex needs. Funding is not through a formula based on head count changes meaning that as demand is rising and the budget is reduced for savings, there is limited possibility to contain expenditure within budget.</p> <p>Looked after children numbers have increased to 240 today compared with 185 in March 2015. An increase of 55 children at an average cost of 50k per children.</p> <p>As with other London Boroughs, we are seeing a rise in demand from adolescents at risk due to knife crime, child sexual exploitation and children being used for drug trafficking (County lines). Work continues both to ensure that the forecast is robust and that young people are placed in the most appropriate placement type for their need.</p> <p>The small net decrease from period 2 (£0.197m) is due to placements ending or stepping down.</p> <p>The forecast currently assumes:</p> <ul style="list-style-type: none"> <li>- contingency of £0.507m or circa 7.7 FTE which is modelled on 2017/18 net new placements</li> <li>- The placements overspend excludes the pressures associated with the additional project to take Dubs children as these are separately identified below.</li> </ul>	1,922	2,135

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
The special project to take additional children was intended to be centrally funded as it sits outside the usual remit of children's services. The net overspend on DUBs is £0.169m after allowing for £0.239m growth in the 2018-19 budget and all grant income associated with these cases. This overspend is expected to rise to £0.260m in 2019-20 based on the full year cost of placements and changes to the income associated with them. Cost rise as young people become care leavers as the grant income falls significantly.	169	153
<b>Family Support and Child Protection</b> Staffing pressures arising from the need to use agency staff whilst permanent recruitment is taking place and due to demand pressures (3 additional social workers) are being covered in year through the one-off use of reserve funding of £0.330m  Additional placement related overspend on escorts and sessional staff of £0.242m is currently being temporarily projected within this service whilst a review is taking place.	200	298
<b>Contact and Assessment Service</b> - The staffing overspend forecast has been eliminated by the service reducing the agency staff to 3 from 10 within the next 3 months having successfully interviewed 3 agency staff to fill newly qualified social worker vacant posts. The remainder has been mitigated by applying previously undistributed staffing inflation budget.  Clarity over funding for historical income budgets is being sought to address the remainder of the Contact and Assessment overspend.	100	150
<b>Looked After Children (LAC) and Leaving Care Non- placement costs</b> - this relates to a projected increase in service user travel expenses, interpreter's fees and an additional security requirement when required for challenging service users.	156	0
<b>Other minor variances</b>	21	0
<b>Total of Family Services</b>	<b>2,568</b>	<b>2,736</b>
<b>Special Educational Needs and Disabilities</b>		
<b>Children with Disability Placements</b> - Ongoing placement pressure from prior years in relation to complex needs of the current cohort. The total budget for residential children's homes is £1.1m of which one placement accounts for £0.6m. This placement is due to age out of Children with Disability Care in 2019/20.	343	345
<b>Disabled Children's Team, Short Breaks, and resources</b> - there is a one off in year pressure on contract expenditure following the delayed opening of the Stephen Wiltshire Centre.	40	40

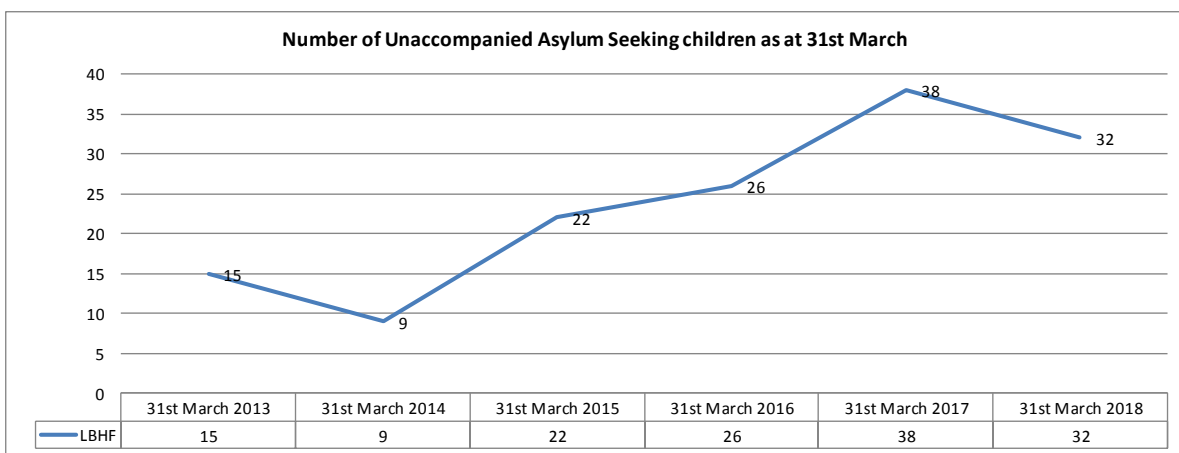
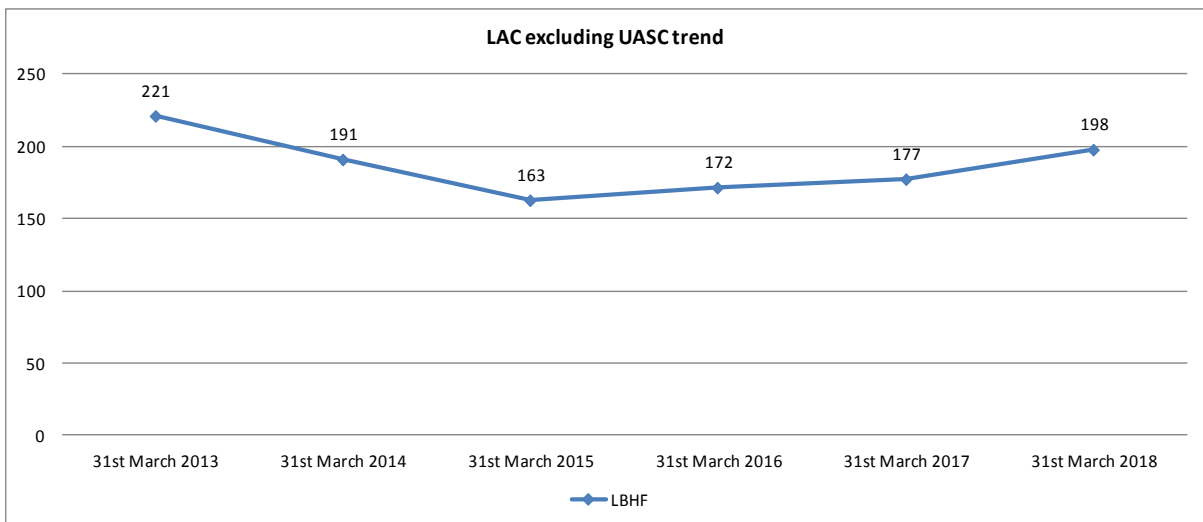
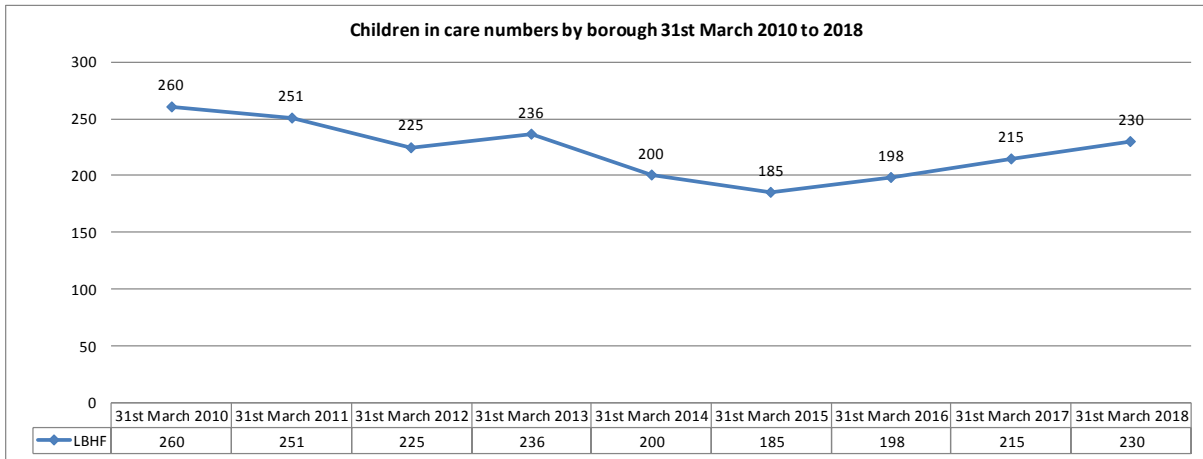
<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>Total of Special Educational Needs and Disabilities</b>	<b>383</b>	<b>385</b>
<b>Education Service</b>		
No net variance reported	0	0
<b>Total of Education</b>	<b>0</b>	<b>0</b>
<b>Assets, Operations &amp; Planning</b>		
The underspend predominantly relates to staffing budget held here prior to being allocated out to the service as part of a staffing budget realignment. This will take place in August so staff budgets reflect the new structures implemented as part of 'Moving On'. This underspend partly offsets staffing overspends in Family Services.  Although mitigated in year, an overall staffing variance will remain in CHS due to pressures in individual services and an overall pressure caused by the unbudgeted 2% pay award estimated at £0.350m.	(174)	0
<b>Total of Assets, Operations &amp; Planning</b>	<b>(174)</b>	<b>0</b>
<b>TOTAL VARIANCE</b>	<b>2,777</b>	<b>3,121</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 3 £000</b>	<b>Risk At Month 2 £000</b>
Tower Hamlets Judgement - the liability should all connected carers be paid carers fees for prior years back to 2011 is estimated to be in the region of £2.1m. Three families (6 children) have brought claims in previous financial years via the same solicitors totalling £141k. In 2018/19 one family has brought a claim in April with costs expected to be c£20k.	2,100	2,100

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 3 £000</b>	<b>Risk At Month 2 £000</b>
New Burdens funding - The Children and Social Work Act 2017 provides all care leavers up to the age of 25 with access to a personal advisor. We now have a duty to provide a service to young people who are 21 or over and not in education. Previously our involvement would have ended. The impact and cost will be the additional social work resource required to support this new co-hort. The 2018/19 New Burdens grant has allocated £15,000 for this additional support. Initial calculation based on the DfE's assumptions of level of support required have costed the social work resource required as £65k. As this is a new duty on local authorities, it is not yet clear what the impact will be.	45	45
Children with Disability Placements - the forecast does not contain a contingency for demand led growth. Therefore, any net increase in demand will increase the overspend. The risk estimate is based on one additional placement with significant complex needs.	250	250
Unaccompanied Asylum-Seeking Children - Risk of cases moving into Care Leavers with ongoing costs	TBC	TBC
There is a risk to the staffing forecast for Special Education Needs and Disabilities. Due to extra work required to comply with the requirements of the Education and Healthcare Plans (EHCP), and compensate for deficiencies in prior year work completed under Tri-Borough management, additional resource is being utilised. Detailed post level staffing forecasts are being prepared for period 4 monitoring following the reorganisation of the service which will highlight any overspend above the budget and agreed funding available.	200	0
Placements - Placement MTFS through LAC and Family Assist needs to continue to be monitored to ensure that delivery of savings is on track. The continuing high cost placements forecast puts pressure on this activity being delivered. The number of young people in residential care remains small, however, they are often complex highly expensive cases meaning that LAC assist has to work with the young person for some time before they can even be considered for step-down or non residential placement. In addition to the contingency for net placement increase in year of circa £0.5m, there is a risk of further exceptional demand growth, particularly from high cost residential placements	300	0
<b>TOTAL RISKS MANAGED</b>	<b>2,895</b>	<b>2,395</b>

## Supplementary Monitoring Information

Trend data for Looked After Children (LAC) is presented in the graphs below.



	Children in Care numbers						Children in Care rates					Decrease/ increase
	2013	2014	2015	2016	2017		2013	2014	2015	2016	2017	
<b>England</b>	<b>68,070</b>	<b>68,820</b>	<b>69,500</b>	<b>70,450</b>	<b>72,670</b>		<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>62</b>	<b>3%</b>
<b>London</b>	<b>10,080</b>	<b>10,110</b>	<b>9,980</b>	<b>9,860</b>	<b>9,910</b>		<b>54</b>	<b>54</b>	<b>52</b>	<b>51</b>	<b>50</b>	<b>-7%</b>
<b>LBHF</b>	235	205	185	200	215		72	61	55	58	61	-15%

**APPENDIX 1a: DEDICATED SCHOOLS GRANT  
BUDGET REVENUE MONITORING REPORT MONTH 3**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Dedicated Schools Grant - Paid in support of the Local Authority's School Budget</b>	<b>Revised Budget</b>	<b>Variance Month 3</b>	<b>Variance Month 2</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
High Needs Block Expenditure	17,950	6,400	6,000
Early Years Block Expenditure	19,520	0	0
Schools Block Expenditure	38,100	0	0
Central School Services Block Expenditure	4,400	0	0
DSG Income	(79,970)	0	0
<b>TOTAL</b>	<b>0</b>	<b>6,400</b>	<b>6,000</b>
<b>DSG deficit brought forward from prior years</b>		<b>7,032</b>	<b>7,032</b>
<b>Forecasted deficit at end of 2018-19 financial year</b>		<b>13,432</b>	<b>13,432</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>High Needs Block</b> ( <i>High Needs funding supports provision for children and young people with special educational needs from their early years to age 25 and Alternative Provision</i> )		
A full system review is being undertaken to reconcile activity, funding and expenditure. A project team and governance is being put in place to identify opportunities and work streams to recover the financial position on the High Needs Block for the Local Authority and to support Special Schools with their financial planning and efficiency.		
The forecast overspend of £6.4m in 2018/19 is based on levels of expenditure coming into the new financial year and before mitigations and actions resulting from the High Needs Block Recovery Project.	6,400	6,000
<b>Total of High Needs Block</b>	<b>6,400</b>	<b>6,000</b>
<b>TOTAL VARIANCE</b>	<b>6,400</b>	<b>6,000</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>	
---	--



Risk Description	Risk At Month 3 £000	Risk At Month 2 £000
A key risk to High Needs is demand led growth and increasing numbers of Education & Health Care Plans and caseloads.	TBC	TBC
There has been a request from the Clinical Commissioning Group (CCG) for an increased contribution to the Speech and Language Contract in 2018/19, which, if agreed, could see a significant increase in the contract value per annum.	329-500 per annum	329k-500 per annum
<p>There is an emerging risk for 2019/20 with respect to the Early Years National Funding Formula. A change in the NFF requires LA to passport funding via the Early Years Dedicated Schools Grant (EY DSG) to all providers based on a participation (activity model) with standard unit rates. This will have an adverse financial impact on the budgets of Schools in LBHF who have benefitted from protected payments via lump sum payments until 2018/19. Private and voluntary nursery providers in the borough are likely to see a benefit from this change.</p> <p>Most adversely impacted are the borough's four maintained Nursery Schools, who are set to lose significant funding via the new National Funding Formula regulations. The change threatens the financial sustainability of the 4 schools who could lose a total of between £1.2m and £2.1m of EY DSG per annum. Within these amounts is a general fund risk if Early Years DSG can no longer be applied to work with Child Protection and Children in Need referrals into the Maintained Nursery Schools. Modelling work will take place in August to understand the value of the potentially unfunded cost of proving this support from April 2019.</p> <p>The financial impact on Maintained Primary Schools with Nurseries from 2019/20 is estimated at £0.491m. The impact on LBHF Academies is £0.347m.</p> <p>In addition, the amount of EY DSG Local Authorities can hold back for central expenditure outside of the participation model will reduce by regulation - from £0.85m in 17/18 to £0.289m in 19/20. The majority of this central expenditure supports work in the new Family Support Service around Early Years and Children's Centres". This is an additional risk for 2018/19 also as the Early Years funding baseline will be adjusted for actual activity.</p>	2,000 to 3,000 future years	0
<b>TOTAL RISKS MANAGED</b>	<b>500</b>	<b>500</b>

## Supplementary Monitoring Information

### DSG Assurance Statement

For 2017/18 the Strategic Director of Finance and Governance has to submit a DSG Assurance Statement to the Department for Education (DfE) to:

- confirm the DSG received by the local authority in 2017 to 2018 was fully deployed in support of the schools budget, in accordance with the [conditions of grant](#) and the [School and Early Years Finance \(England\) Regulations 2017](#).
- confirm, based on their work in reviewing individual placement agreements for high needs students within non-maintained special schools, nothing has come to their attention that causes them to believe that the learners reviewed were not correctly defined as high needs
- report details of any fraud cases in maintained schools, and confirm what action has been taken to address the issue.

For 2018/19 the DfE have announced a new requirement that any local authority that holds a deficit, at the year end, of the DSG greater than 1% will be required to submit a recovery plan to the English Schools Funding Agency. This will be mandatory under the conditions of grant. The Department for Education (DfE) will consult with local authorities about the details of this requirement in the autumn of 2018.

The current forecast deficit of £13.432m is 17.51% against our provisional 2018/19 DSG allocation or 9.41% if the DSG allocation before academy recoupment is used.

**APPENDIX 2: CORPORATE SERVICES**  
**BUDGET REVENUE MONITORING REPORT MONTH 3**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 3</b>	<b>Variance Month 2</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Human Resources	(333)	(102)	0
Executive Services	333	(318)	(79)
Communications	(42)	146	180
<b>TOTAL</b>	<b>(42)</b>	<b>(274)</b>	<b>101</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>COMMUNICATIONS</b>		
Forecast overspend mainly because of underachievement of traded income within the print service. At this early stage, it is expected that activity will be in line with that incurred in 2017/18.	146	180
<b>TOTAL COMMUNICATIONS</b>	<b>146</b>	<b>180</b>
<b>EXECUTIVE SERVICES</b>		
Underspends are forecast on salaries across the division.	(318)	(79)
<b>TOTAL EXECUTIVE SERVICES</b>	<b>(318)</b>	<b>(79)</b>
<b>HUMAN RESOURCES</b>		
Underspends are forecast on salaries across the division.	(102)	0
<b>TOTAL HUMAN RESOURCES</b>	<b>(102)</b>	<b>0</b>
<b>TOTAL VARIANCE</b>	<b>(274)</b>	<b>101</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>
None to report

<b>Supplementary Monitoring Information</b>
Corporate services are a support function. Trends used to inform expenditure forecasts include number of employees and their monthly cost, including those recruited via agencies, and any other expenditure in prior periods and financial years. Trends used to inform income forecasts (mainly services recharged to other departments for communications, printing, occupational health etc) are demand related, examples include number of print jobs, occupational health appointments etc.

**APPENDIX 3: FINANCE AND GOVERNANCE**  
**BUDGET REVENUE MONITORING REPORT MONTH 3**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 3</b>	<b>Variance Month 2</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Facilities Management	393	(71)	0
Legal and Democratic Services	(76)	0	(2)
IT Services	539	122	122
Finance	1,323	0	0
Audit, Fraud, and Insurance	(33)	0	0
<b>TOTAL</b>	<b>2,146</b>	<b>51</b>	<b>120</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>FACILITIES MANAGEMENT</b>		
Forecast underspend on budgets transferred from Growth and Place for the new TFM Link Team.	(139)	0
<b>TOTAL FACILITIES MANAGEMENT</b>	<b>(71)</b>	<b>0</b>
<b>IT SERVICES</b>		
Additional external support costs for the Office 365 platform.	122	122
<b>TOTAL IT SERVICES</b>	<b>0</b>	<b>0</b>
<b>LEGAL AND DEMOCRATIC SERVICES</b>		
<b>Legal Services:</b> External income, in particular section 106 agreements could present a risk if the expected amount of work is not received.	0	(2)
<b>TOTAL LEGAL AND DEMOCRATIC SERVICES</b>	<b>0</b>	<b>(2)</b>
<b>TOTAL VARIANCE</b>	<b>51</b>	<b>120</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 3 £000</b>	<b>Risk At Month 2 £000</b>
TFM Contract - Unplanned costs arising from the termination of the LINK shared service.	400	400

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 3 £000</b>	<b>Risk At Month 2 £000</b>
Lilla Husset building - If rent arrears dispute not resolved and a new tenant not found.	450	450
Coroners - Additional resource may be required to clear a backlog of cases.	TBC	TBC
<b>TOTAL RISKS MANAGED</b>	<b>850</b>	<b>850</b>

<b>Supplementary Monitoring Information</b>
<p>It should be noted that Facilities Management and Building Control transferred over to Finance and Governance effective from the 9th July.</p> <p>Finance and Governance is a support function. Trends used to inform expenditure forecasts include number of employees and their monthly cost, including those recruited via agencies, any other expenditure in prior periods and financial years and contract payments, including fixed and variable amounts. Trends used to inform income forecasts (mainly services recharged to other departments for legal, IT, property works etc) are demand related, examples include number of hours of case work, number of devices or log ins and property charges above the fixed contract level.</p>

**APPENDIX 4: GROWTH AND PLACE**  
**BUDGET REVENUE MONITORING REPORT MONTH 3**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 3</b>	<b>Variance Month 2</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Housing Solutions	7,605	257	257
Housing Strategy & Growth	212	0	0
Economic Development, Skills Service	877	(6)	(8)
Planning	1,087	53	0
Finance & Resource	227	0	0
Programme Management	19	0	0
Property Services	87	0	0
Development & Regeneration	5	0	0
Corporate Property Services	(606)	15	(92)
<b>TOTAL</b>	<b>9,513</b>	<b>319</b>	<b>157</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>Housing Solutions</b>		
There is a forecast increase in average client numbers (from a budget of 921 units to a forecast of 1,024) in Private Sector Leased (PSL) temporary accommodation schemes.	601	601
There is a forecast reduction in average client numbers (from a budget of 190 clients to a forecast of 173) in Bed and Breakfast (B&B) temporary accommodation.	(134)	(134)
Cost avoidance payments to Private Sector Leasing and Direct Letting landlords to be funded from earmarked Temporary Accommodation reserves (subject to approval of reserves drawdown of £600k). We have benchmarked our payments against those made by other boroughs and they are at the lower end of the scale.	600	600
Flexible Homelessness Support Grant to cushion the impact of the removal of the management fee for Temporary Accommodation (after allocating £207,600 to B&B, £2,253,400 to PSL and deducting an assumed £110,000 which we expect Registered Providers to claim) and 'empower LAs with the freedom to support the full range of homelessness services they deliver' and plan their provisions with more certainty. This is only promised for 2018/19 and 19/20 so there is a risk of significant budget pressure thereafter.	(810)	(810)

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>TOTAL of Housing Solutions</b>	<b>257</b>	<b>257</b>
<b>Economic Development and Skills Service</b>		
	(6)	(8)
<b>TOTAL of Economic Development &amp; Skills Service</b>	<b>(6)</b>	<b>(8)</b>
<b>Planning</b>		
<b>Development Management</b> - an overspend of £100k relates to exceptional costs for Counsel, legal and other specialist advice on several specific applications. This is offset by minor underspends of (£17k).	83	0
<b>Other divisions</b> - minor variances	(30)	0
<b>TOTAL of Planning</b>	<b>53</b>	<b>0</b>
<b>Rent and Other Properties:</b> There is a forecast unachievable rental income on Galena Road of £14k, repairs and maintenance for Lyric Theatre of £10k and unachievable savings of £9k.	33	40
<b>Valuation Services:</b> This relates to an underspend in running costs (£18k).	(18)	(132)
<b>Total of BPM</b>	<b>15</b>	<b>(92)</b>
<b>TOTAL VARIANCE</b>	<b>319</b>	<b>157</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 3 £000</b>	<b>Risk At Month 2 £000</b>
Overall Benefit Cap.	196	196
Direct Payments (Universal Credit).	202	202
There is a risk of a further increase in the number of households in Temporary Accommodation - based on an additional 100 households this year above the current forecast.	651	651
Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation above the current forecast.	270	270
There is a risk of large families being accommodated in B&B.	258	258

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 3 £000</b>	<b>Risk At Month 2 £000</b>
Homelessness Reduction Bill - increase in households in temporary accommodation - extra 70 households this year above the current forecast.	506	506
Several Economic Development schemes are awaiting formal approval to use Section 106 funds.	1,098	1,098
Earmarked reserves have been utilised in recent years to accommodate the accumulated effect of annual reductions in grant funding for the Adult Learning & Skills service. The current risks exceed the funding available in the earmarked reserve.	285	285
Affordable housing and regeneration projects - feasibility studies on GF land, e.g. Linford Christie stadium.	450	450
There is a risk that the costs of current and future work in producing Supplementary Planning Documents will exceed the budgets and funding available.	50	50
In recent years, the cost of judicial reviews and major planning appeals has been met from earmarked reserves but these funds are now exhausted and therefore, there is an ongoing risk of an overspend against the budget. Some costs have crystallised and the risk has therefore been reduced by £100k this month.	599	699
Expenditure incurred on disposed assets cannot be met by disposal receipts and on properties not being sold.	20	20
Lyric Theatre - Unfunded repairs and maintenance costs above the agreed cap of £50k.	100	100
<b>TOTAL RISKS MANAGED</b>	<b>4,685</b>	<b>4,785</b>

<b>Supplementary Monitoring Information</b>
Cabinet are requested to approve a drawdown of £600,000 for cost avoidance payments for Private Sector Leasing and Direct Letting landlords to be funded from the earmarked reserve for Temporary Accommodation.
<b>Long Term Trends:</b>
The <b>Temporary Accommodation service</b> faces a long-term trend of: <ul style="list-style-type: none"> <li>• rising rents,</li> <li>• constraints on income collection because of Welfare Reform</li> <li>• increases in demand from homeless families.</li> </ul>
The number of households in Temporary Accommodation is increasing annually (1,214 at April 2016; 1,324 at April 2017; 1,444 at April 2018) and is projected to increase to 1,559 at April 2019; 1,674 at April 2020 and 1,789 at April 2021.
Since the Homelessness Reduction Act came into effect in April 2018, there has been a



### Supplementary Monitoring Information

Cabinet are requested to approve a drawdown of £600,000 for cost avoidance payments for Private Sector Leasing and Direct Letting landlords to be funded from the earmarked reserve for Temporary Accommodation.

significant increase in homelessness approaches and caseloads. Between May/June 2018 and May/June 2017, approaches have increased by 102% from an average of 99 per month to 199 per month.

The service is focusing on tightly managing its acceptance duty and costs are being managed within the forecast figures in Table 1 above. The risk of further cost pressures is being monitored and managed closely as part of a package of measures within the Temporary Accommodation strategy.

**Planning income** in recent years has fluctuated between £3.5m (2016/17), £3.1m (2017/18) and is currently forecast to reach £3.7m in 2018/19. The forecast is being closely monitored and any variance from the income target will be reported here.

The inherent volatility of planning income means it is difficult to predict future income expectations due to several factors including:

- Changes to the statutory charging schedule
- Economic factors such as the impact on planning activity of Brexit
- Changes in legislation e.g. permitted development rights, Planning Performance Agreement regulation
- Changes to pre-application charging fees and Planning Performance Agreement templates
- Local and wider market conditions
- Availability of development sites in the borough
- Developers by-passing the pre-application process as it is not compulsory
- Reduced developer confidence in the service through reduced staffing - may be less likely to fund Planning Performance Agreements
- Government schemes to encourage house building, including grant schemes
- Developers' responding to current and pipeline housing supply in borough (they don't want to flood the local market)
- Adverse weather conditions

### APPENDIX 5: PUBLIC SERVICES REFORM BUDGET REVENUE MONITORING REPORT MONTH 3

**Table 1 - Variance by Departmental Division**

Departmental Division	Revised Budget	Variance Month 3	Variance Month 2
	£000	£000	£000
Public Services Reform	<b>3,384</b>	2,615	2,449
<b>TOTAL</b>	<b>3,384</b>	<b>2,615</b>	<b>2,449</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>Public Services Reform</b>		
External Business Intelligence sales. Forecast assumes 25% delivery of income target.	1,412	1,412
Sales of Ethical Debt solutions to other public bodies. Forecast assumes 25% delivery of income target.	450	450
Advertising Hoardings (reported in Growth and place in month 2): The adverse variances are mainly due to shortfalls in income at the L'Oreal, Bentworth Road and Woodstock Grove profit share sites and new sites that did not proceed (Fulham Palace Road and Lyric Square).	603	587
Supporting People - £209k of 2018/19 savings target of £359k relating to Mental Health Contracts have been identified.	150	0
<b>TOTAL VARIANCE</b>	<b>2,615</b>	<b>2,449</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 3 £000</b>	<b>Risk At Month 2 £000</b>
Contract management savings – reported as high risk against delivery in April. Therefore 50% of savings (£1,000k budget change 18/19) to be delivered reported as a risk.	500	500
Potential costs of legal challenge (Hammersmith Flyover Advertising Hoarding/Two Towers)	2,145	2,145
<b>TOTAL RISKS MANAGED</b>	<b>2,645</b>	<b>2,645</b>

<b>Supplementary Monitoring Information</b>
<p>Much of the expenditure in PSR relates to contract payments or regular payments to third sector providers. Information used to forecast includes a schedule of commitments, contract documentation and any changes in demands for services.</p> <p>For income streams a pipeline of opportunities is used to forecast for commercial activity. The advertising hoarding forecast is calculated on a site by site basis.</p>

**APPENDIX 6: RESIDENTS' SERVICES**  
**BUDGET REVENUE MONITORING REPORT MONTH 3**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 3</b>	<b>Variance Month 2</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cleaner, Greener & Cultural Services	8,951	33	(206)
Transport and Highways	12,792	285	420
Leisure & Parks	4,395	75	32
Environmental Health, Community Safety & Emergency Planning	6,126	466	266
Other LBHF Commercial Services	(238)	240	240
Executive, Finance, and Contingency	825	0	0
Building Control and Technical Support	1,288	155	133
Commercial Services (FCS)	11,839	244	0
Libraries	2,628	0	0
Customer Services	14,548	649	0
Prevent	25	0	0
<b>TOTAL</b>	<b>63,179</b>	<b>2,147</b>	<b>855</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>Cleaner, Greener &amp; Cultural Services</b>	<b>0</b>	
Salary budget pressure as 2% pay award will not be funded corporately.	18	0
Greener Living: £343k underspend on waste disposal due to lower tonnages and the continuation of the reduced recycle processing rate. £32k other smaller net underspends.	(391)	(306)
Culture: Commercial income saving at risk for Parks and Markets Events.	97	100
Culture (Filming and Events): Anticipated shortfall in Filming income, outturn is forecast in line with last year £136k, Events £172k income shortfall: made up by Hammersmith Town Hall lettings £72k, and £52k shortfall on funfairs (due to restrictions on using Shepherds Bush Green) £26k on concessions in parks and £20k on miscellaneous income.	309	0
<b>Total of Cleaner, Greener &amp; Cultural Services</b>	<b>33</b>	<b>(206)</b>
<b>Transport &amp; Highways</b>		
Salary budget pressure as 2% pay award will not be funded corporately.	64	64

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
Metro Wireless WIFI income. This has never achieved the amounts originally estimated.	73	73
Transport Planning Consultancy. There is some possibility of income but the likely amounts are small.	55	55
Network Management Fixed Penalty Notice (FPN) income. Rule changes following developments in case law mean that the FPN target cannot be achieved in full.	61	54
Network Management license income shortfall.	48	45
Baymedia advertising contract. Quarterly figures for 2017/18 suggest that the budget for this was too high in Month 2. The Month 3 forecast assumes that there will be an increased level of custom and the target will be met – a greater number of lamp columns have been made available for advertising.	0	20
Forecast shortfall in recharges to projects. Additional projects may arise in year that will reduce this overspend.	147	139
IT costs are under budgeted as there has been a reliance on the IT reserve in prior years which has now been transferred to council reserves. Reported as a problem in Month 2 but has been allocated to relevant service areas in Month 3.	0	41
General Maintenance: cheaper materials to be used in road repairs.	(100)	0
Land Survey underspend due to IT charges to TFL.	(40)	(40)
Streetlighting Energy: Ongoing reduction in energy use from LED replacement project.	(19)	(19)
Other underspends.	(3)	(11)
<b>Total of Transport &amp; Highways</b>	<b>285</b>	<b>420</b>
<b>Leisure and Parks</b>		
Salary budget pressure as 2% pay award will not be funded corporately.	8	8
Increase in recharge to Wormwood Scrubs.	(29)	0
Forecast legal and consultancy fees on new contract for Leisure Contracts.	43	0
Forecast overspend on Grounds Maintenance and repairs.	21	0
Salaries net overspend.	5	0
Additional water charges due to installation of meters.	33	33
Higher forecast for Linford Christie energy costs.	10	10
Additional cemeteries income.	(13)	(13)
Additional parks income.	(7)	(7)

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
Other.	4	2
<b>Total of Leisure and Parks</b>	<b>75</b>	<b>33</b>
<b>Environmental Health, Community Safety &amp; Emergency Planning</b>		
Licensing & Trading Standards: £59k forecast Licensing income shortfall, mostly due to £40k reduction in Olympia license fee (from £93k in 2016/17 to £53k in 2018/19), but other licensing income is also forecast to be £19k less than budget. Recovery plan being developed to address this ongoing pressure.	59	69
Community Safety: £120k income shortfall due to non-delivery of commercial income savings (£100k deployable CCTV and £20k Professional Witness). This has been escalated in order to identify a permanent resolution to this budget pressure going forwards.	120	120
Emergency Planning: Due to ongoing budget pressures in transport £30k, forecast shortfall in leasing income due to long term unachieved income target and £47k forecast income shortfall in fleet management. Possibility of securing administration fees for fleet management from WCC (£18k) and RBKC (£5k) but not yet agreed. Further £24k income risk if parking spaces and empty workshop space cannot be rented out. £7k pressure due to salary inflation not funded.	83	77
£292k salary budget pressure as 2% pay award will not be funded corporately (£113k), forecast overspend in Noise & Nuisance as absences of permanent staff due to leave or illness shifts must be covered by agency staff (£117k); overspends in Environmental Quality (£30k) and Food Safety (£15k) and other smaller net overspends, mostly long-term sickness cover in CCTV (£21k). Offset by £47k drawdown from reserves to cover overspend in Silver Rota and Civil Protection.	292	0
Income overachievement: Additional income in Noise & Nuisance (£23k) and Environmental Quality (£45k) largely due to recharges for officer time to Thames Tideway and £12k favourable on Trading Standards for FPN's and management fees.	(80)	0
Other minor net underspends.	(8)	0
Note: The 2017/18 underspend in Registrars is not expected to be repeated in 2018/19 due to the loss of Nationality Checking income from October 2018 (as this scheme has been scrapped by the Government) and the impact of the planned HTH refurbishment on income levels for other ceremonies.	0	0

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>Total of Environmental Health, Community Safety &amp; Emergency Planning</b>	<b>466</b>	<b>266</b>
<b>Other LBHF Commercial Services</b>		
Forecast shortfall on CCTV ducting contract (£50k income v £290k income budget). New contract being negotiated likely to be in the region of £50k pa.	240	240
<b>Total of Other LBHF Commercial Services</b>	<b>240</b>	<b>240</b>
<b>Executive, Finance, and Contingency</b>		
Forecast to break-even.	0	0
<b>Total of Executive, Finance, and Contingency</b>	<b>0</b>	<b>0</b>
<b>Building Control and Technical Support</b>		
Building Control: Shortfall on net income of £129k of which £14k relates to unfunded 2% pay award	129	133
Technical Support: Overspend on staffing costs of £35k of which £13k relates to unfunded pay award. This is offset by underspend in supplies and services of (£8k)	26	0
<b>Total of Building Control and Technical Support</b>	<b>155</b>	<b>133</b>
<b>Commercial Services</b>		
Forecast overspend on street cleansing due to additional costs of weed treatment.	131	0
Forecast shortfall in income for fixed penalty notices as the Night Enforcement team has ceased to operate impacting on income levels.	6	0
£77k overspend on staffing: £12k of this relates to unfunded 2% pay award, with the remainder being an overspend due to overtime (£27k) and the cost of one unfunded post in the establishment (£38k).	77	0
£30k overspend on Smart Banks as the number of these facilities has increased due to new developments being built.	30	0
This forecast assumes delivery of the £159k saving identified by E&Y to be achieved through a renegotiation of the waste contract but this remains high risk.	0	0
<b>Total of Commercial Service</b>	<b>244</b>	<b>0</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>Customer Services</b>		
£579k overspend on staffing. £110k of this relates to unfunded 2% pay award, however the majority of this is due to a delay in delivery of savings (£481k target). This was intended to be delivered through robotic process automation plus other process efficiencies. Work is being undertaken in the service to deliver these by 2019/20. £40k in year pressure due to new Out of Hours contract (unit cost increased from £2.56 to £6.08 per telephone call). £30k other smaller pressures.	<b>649</b>	<b>0</b>
<b>Total of Customer Services</b>	<b>649</b>	<b>0</b>
<b>TOTAL VARIANCE</b>	<b>2,147</b>	<b>885</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 3 £000</b>	<b>Risk At Month 2 £000</b>
Loss of nationality checking income in registrar's service.	60	60
Registrars forward bookings affected by HTH redevelopment.	150	150
Serco saving assumed by Ernst & Young may not be achieved.	159	159
Contact Channel Improvement savings not achieved.	150	0
Commercial opportunities in libraries - potential risk that income targets will not be achieved.	200	0
Smart Open libraries - potential risk that savings will not be achieved due to delays in implementation.	100	0
<b>TOTAL RISKS MANAGED</b>	<b>819</b>	<b>369</b>

<b>Supplementary Monitoring Information</b>
---

### Supplementary Monitoring Information

Taken together with Parking (in Appendix 6a), the overall variance in Residents Services is £849k adverse. The biggest new financial pressure in this report is the £649k adverse position in customer services. The transfer of this service into Resident's Services this year and the arrival of a new assistant director has led to a full review of the finances of this service. The service is working on the delivery of them, but it will take longer than expected.

Residents services must fund £530k of pay awards in 2018/19 and it is managing to do that in most areas except customer services. These costs will be reviewed as part of the MTFs process for 2019/20.

Plans for several budget reductions have proved to be not deliverable. The service is absorbing these, except for customer services where they have proved to be too big. One of the mitigations is that the £849k total adverse variance can be brought down to £609k with the use of the reserve for the duct asset concession.

Residents services will look at the feasibility of bringing forward savings ideas from 2019/20 to help balance the budget in 2018/19.

#### Trend Data

In Residents Services trend data is used extensively where income or expenditure is variable from month to month and is consequently hard to predict.

Examples where this is the case include:

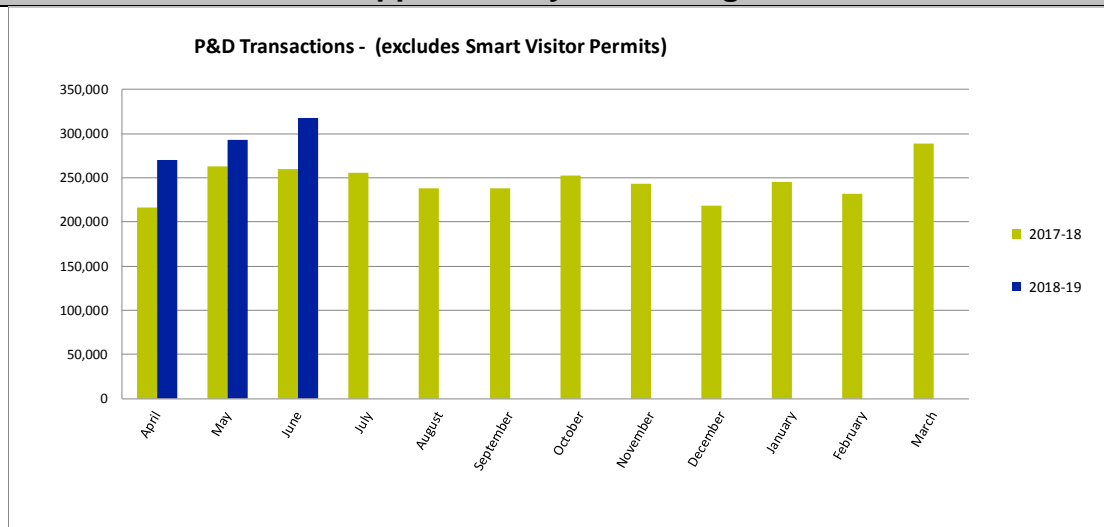
- Parking income from pay & display and penalty charge notices (PCNs)
- Waste disposal
- Licensing income of all kinds
- Legal expenditure in coroners

Typically, we forecast income based on the previous year or take an average over a number of years if the pattern shows less volatility. We then adjust for one-off items that may skew the forecast, and then adjust for known changes.

In **Parking** pay and display activity varies according to the demand for parking across the year. Typically, it is low in holiday periods such as August and December, and higher at other times. Cashless parking has had a significant impact in stimulating increased demand. The graph below illustrates the variability from month to month.

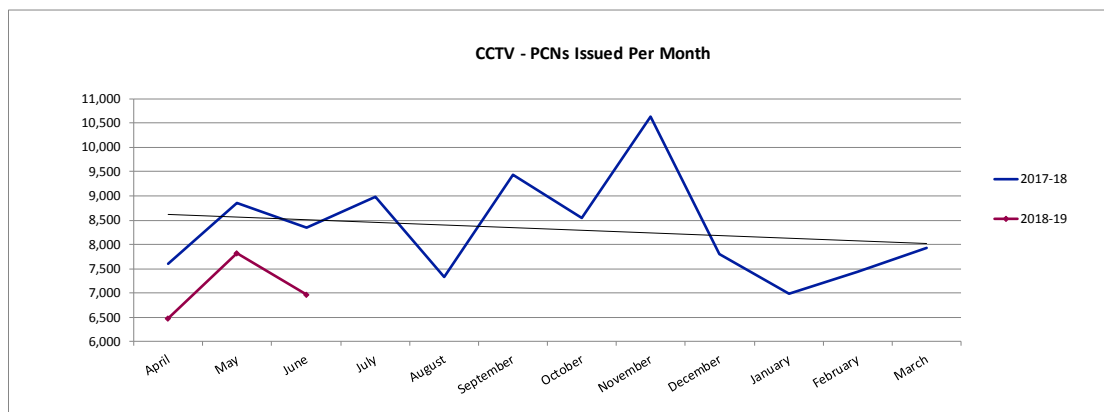


## Supplementary Monitoring Information



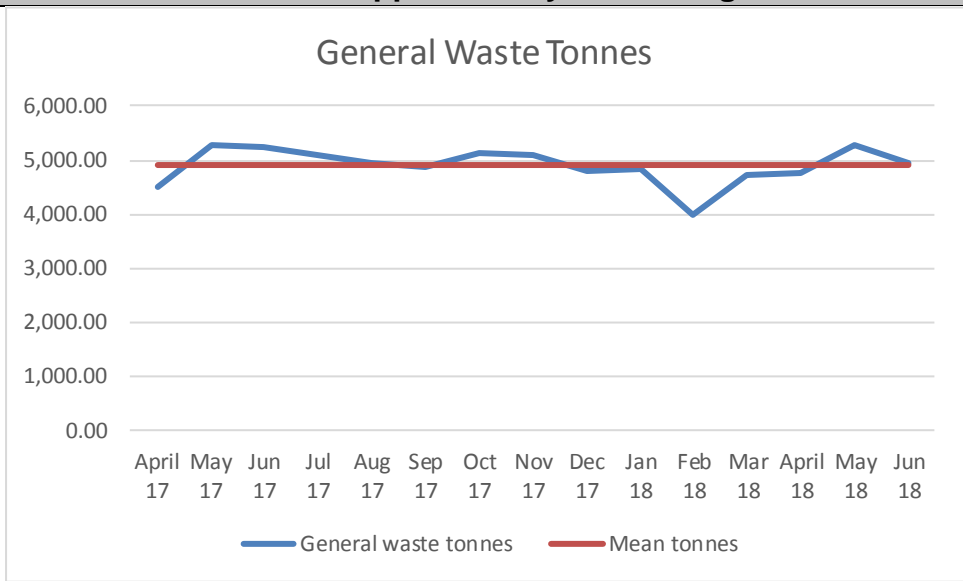
These patterns are considered in making the forecasts each month.

Fixed penalty notice activity varies according to driver behaviour, particularly for those captured by CCTV. The graph below shows the variability.



In **waste disposal** variability comes again from the behaviour of people in how much rubbish they put out and how well they separate their recyclables. The council pays for waste disposal by the tonne. The table below shows the variability around the average.

### Supplementary Monitoring Information



We use data from the previous year to help inform the forecast for the current year.

In **Licensing** the approach we take is to assume the same income as last year as that represents the most up-to-date information on the number of licenced premises, adjusted for known changes such as in the charges for big licenced venues.

In **Coroners** we tend to do the same for expenditure in volatile areas where expenses are highly unpredictable and vary according to the number and type of inquests. We take an average over a number of years and adjust for one-off events such as a big inquest.

**APPENDIX 6a: CONTROLLED PARKING ACCOUNT  
BUDGET REVENUE MONITORING REPORT MONTH 3**

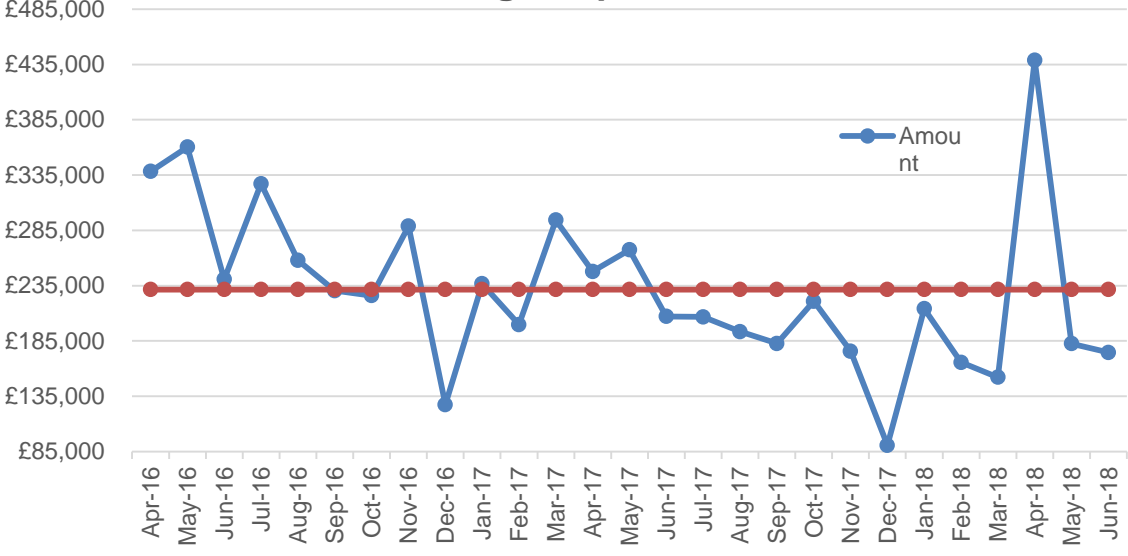
<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 3</b>	<b>Variance Month 2</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Controlled Parking Account	(22,940)	(1,298)	(413)
<b>TOTAL</b>	<b>(22,940)</b>	<b>(1,298)</b>	<b>(413)</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>Parking Control</b>		
Pay and display income overachievement.	(2,194)	(1,030)
Permits income overachievement.	(108)	(101)
Parking Penalty Charge Notice (PCN) income overachievement.	(377)	(71)
Towaways income achievement.	0	(12)
Suspensions income underachievement.	1,102	744
There is a £341k underspend on supplies services due primarily to the completion of rollout of the cashless parking resulting in reduction of cash collection and maintenance contract costs.	(365)	(395)
Salary overspend of £644k due to the full year effect of employment of Civil Enforcement Officers (CEO) last six months of financial year 2017/2018. Includes pay award cost of £112k.	644	452
<b>TOTAL of Parking Control</b>	<b>(1,298)</b>	<b>(413)</b>
<b>TOTAL VARIANCE</b>	<b>(1,298)</b>	<b>(413)</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>
None to report

<b>Supplementary Monitoring Information</b>
Parking overall is managing to absorb the £112k cost of the 2018/19 pay award. The adverse variance on parking suspensions suggests that general economic conditions in the borough are not as good as they were two or three years ago. The variance around the mean since April 2016 suggests that the trend remains downwards:

### LBHF Parking Suspensions Income



**APPENDIX 7: SOCIAL CARE**  
**BUDGET REVENUE MONITORING REPORT MONTH 3**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Variance Month 3</b>	<b>Variance Month 2</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Care and Assessment	21,860	241	741
Learning Disability	11,824	417	326
Mental Health	6,629	412	102
In-House Services	2,832	0	0
Community Independence & Hospital Service	1,603	0	0
Resources	6,472	0	0
Directorate & Support Service	514	0	0
Unfunded 2% Pay-Award Increase Impact on service budgets	0	205	0
Commissioning	4,095	140	0
Public Services Reform (PSR)	(4,095)	0	0
<b>TOTAL</b>	<b>51,734</b>	<b>1,416</b>	<b>1,169</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>Care and Assessment</b>		
A projected overspend of £241,000 on the Care and Assessment Service. Like the previous year, there are continued pressures as part of the out of hospital strategy including 7-day social care services to support customers at home and avoid hospital admissions or to enable early discharge. This has led to an increase in home care costs above that which is normally expected. The main reasons for the decrease in the net overspend of (£500,00) is due to subcontracting vacant block contracted beds to other local authorities. The number of spot placements has increased since April 2018 by 24 placements of which 10 are known to the service and this is factored in the forecast.	241	741
<b>TOTAL OF Care and Assessment</b>	<b>241</b>	<b>741</b>
<b>Learning Disability</b>		
The overspend of £417,000 is mainly due to full year effect of Placements and Direct Payments which started at the end of last year. Since last month the forecast has changed due to increasing costs following a reassessment of care needs.	417	326
<b>TOTAL OF Learning Disability</b>	<b>417</b>	<b>326</b>
<b>Mental Health</b>		

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
Mental Health is projecting overspend of £412,000 due to an increase of 3 new placements and the reassessment of care needs resulting in additional costs for 1 resident.	412	102
<b>TOTAL OF Mental Health</b>	<b>412</b>	<b>102</b>
<b>Commissioning</b>		
There is an overspend of £140,000 in the safeguarding services due to increase in Independence Mental Capacity Assessment contract and additional safeguarding assessments.	140	0
<b>TOTAL OF Commissioning</b>	<b>140</b>	<b>0</b>
<b>2% Pay-Award Impact</b>		
This projected overspend due to 2% pay award increase in costs and the budget not allocated to services but held Corporately to mitigate overspends.	205	0
<b>Total 2% Pay-Award Impact</b>	<b>205</b>	<b>0</b>
<b>TOTAL VARIANCE</b>	<b>1,416</b>	<b>1,168</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 3 £000</b>	<b>Risk At Month 2 £000</b>
Estimated costs relating to Learning Disability service users transitioning from Children Services to Adult Social Care.	450	450
Year on year savings from Transformation Commissioning Programme are increasingly difficult to deliver and the department is concerned given the overall budgetary position.	900	900
<b>TOTAL RISKS MANAGED</b>	<b>1,350</b>	<b>1,350</b>

### Supplementary Monitoring Information

The Department continues to experience significant budget pressures. The Department is projecting overspend of £1,416,000 as at period 3 an increase of £248,000 since the period 2 forecast. This is mainly because of the full year implications of new service users coming through the service from 2017/18 especially within Home Care & Learning Disability. Since last month, there are new pressures in Mental Health services and non-allocation of budget for the 2% pay-award increase. The department has factored into the forecast the new additional one-off funding from the Adult Social Care Grant of £574,000 to partly mitigate the some of these pressures. Historically, the department's budget has had underlying budget pressures, which were partly mitigated in year by using a combination of management actions to control the budget, one off reserves and from last year with the Improved Better Care Funding. At this early stage of the year, the department is highlighting a maximum risk of £1.3m due potential additional transitional service users and difficulty of some in year savings at risk of non-delivery.

#### Trend Data

##### Placements

	Number of Clients	Unit Costs
17/18 P1	472	£862.51
17/18 P12	500	£895.57
18/19 Latest	524	£924.59

There were 28 new placements in 2017/18 which creates an increase in forecast of over £600K if we assume all clients are in placement for half the year. The weekly cost of placements has increased by £33.06 per week. This creates a budget pressure of over £800K. However, there has almost been the same increase in clients over a 2-month period in 2018/19 as what there was over a 12-month period last financial year. In addition, there was a shortfall in inflation funding of 1.74% that ASC had to fund. The increase in weekly cost was 3.83% but we only received 2.09% from Corporate for inflation.

##### Home Care

	0-7hrs p/w	7-14hrs p/w	14-28hrs p/w	28+hrs p/w	Total
P1 17/18	515	372	330	125	1342
P12 17/18	487	351	316	145	1299
18/19 Latest	489	347	317	155	1308

From the above table you can see increasing/more complex needs in Home care customers, demonstrated by the increase in 30 cases of 28hrs+ per week, despite the slight drop in client numbers towards the end of 17/18 FY. This might be explained by some Home Care

customers who are discharged from Hospital straight back into the community.

#### Direct Payments

	Number of Clients	Average Weekly Cost
P1 17/18	486	£315.00
P12 17/18	477	£322.00
18/19 Latest	477	£336.00

There has been a slight drop in client numbers since the beginning of 2017/18 however the increasing weekly cost implies that clients' needs have been increasing leading to higher care packages.

#### **Assumptions**

1. Projections based on client numbers on Mosaic as at the end of June 2018 (assumes Mosaic data is up to date and correct).
2. Assumes no increase in clients in 2018/19 therefore we only forecast based on live clients on Mosaic. This is a riskier approach than in previous years when clients not in Mosaic were factored into the forecast. However, there are 29 Placements that are in progress with Brokerage that are not included in the projections
3. LD Transitions for 18/19 have been calculated but are not included in the forecast until Care Package is reflected in Mosaic.
4. A risk schedule has been drawn up amounting to £264K for LD ASC Clients.



**APPENDIX 8: CENTRALLY MANAGED BUDGETS**  
**BUDGET REVENUE MONITORING REPORT MONTH 3**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Forecast Variance Month 3</b>	<b>Forecast Variance Month 2</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Corporate & Democratic Core	3,708	120	120
Housing Benefits	(328)	0	0
Levies	1,570	(40)	(40)
Net Cost of Borrowing	282	0	0
Other Corp Items	6,174	70	0
Pensions & redundancy	9,048	(160)	(80)
<b>TOTAL</b>	<b>20,454</b>	<b>(10)</b>	<b>0</b>
Adjustment for limiting use of the unallocated contingency to 50% and not distributing the contingency held for the 2018/19 pay award		(2,625)	0
<b>Revised Variance</b>		<b>(2,635)</b>	<b>0</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>Corporate &amp; Democratic Core</b>		
There is a forecast overspend of £120k on net Shared Accommodation costs after factoring in the changed accommodation profile post Moving On.	120	120
<b>Corporate &amp; Democratic Core Total</b>	<b>120</b>	<b>120</b>
<b>Levies</b>		
Corporately funded Levies are forecast to be £40k under budget.	(40)	(40)
<b>Levies Total</b>	<b>(40)</b>	<b>(40)</b>
<b>Other Corporate Items</b>		
There is a forecast overspend of £150k on Land Charge income due to the slow housing market. There is a forecast underspend of £80k on the NNDR contingency held to cover NNDR costs on civic properties.	70	0
<b>Other Corporate Items Total</b>	<b>70</b>	<b>0</b>
<b>Pensions &amp; redundancy</b>		
Corporately funded pension costs from historic redundancy decisions are forecast to be under budget.	(160)	(80)
<b>Pensions &amp; redundancy Total</b>	<b>(160)</b>	<b>(80)</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>TOTAL VARIANCE</b>	<b>(10)</b>	<b>70</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 3 £000</b>	<b>Risk At Month 2 £000</b>
There is a risk that a reduction in cash balances will reduce the amount of investment income by up to £259k. There is a mitigating factor that interest rates may rise which could lead to a favourable variance of up to £250k.	250	250
<b>TOTAL RISKS MANAGED</b>	<b>250</b>	<b>250</b>

<b>Supplementary Monitoring Information</b>
£0.8m of the Unallocated Contingency remains uncommitted after allowing for existing commitments and applying £0.85m of the budget to cover the council wide forecast overspend approved in month 2.

**APPENDIX 9: HOUSING REVENUE ACCOUNT**  
**BUDGET REVENUE MONITORING REPORT MONTH 3**

<b>Table 1 - Variance by Departmental Division</b>			
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Forecast Variance Month 3</b>	<b>Forecast Variance Month 2</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Housing Income	(76,847)	124	214
Finance and Resources	8,879	0	0
Housing Services	11,100	0	0
Property Services	2,932	3,471	3,471
Housing Repairs	14,820	129	0
Housing Solutions	217	0	0
Housing Strategy	297	0	0
Adult Social Care	48	0	0
Regeneration	362	0	0
Safer Neighbourhoods	622	0	0
Capital Charges	25,356	0	0
Business & Programme Management	3,102	0	0
SLA recharges	6,385	0	0
Revenue Contribution to Capital	4,563	0	0
<b>(Contribution to) / Appropriation from HRA General Reserve</b>	<b>1,835</b>	<b>3,724</b>	<b>3,685</b>

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
<b>Property Services</b>		
Fire Safety Expenditure - this is additional revenue expenditure on fire safety, information provided at the time of the budget did not indicate this level of revenue costs for the fire safety projects.	3,471	3,471
<b>Total: Property Services</b>	<b>3,471</b>	<b>3,471</b>
The out of scope element of the repairs contract with MITIE is predicted to overspend by £234k. 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. Of this, it is estimated that (£105k) will be recoverable from insurance and this will be confirmed by the loss adjustors in the coming months.	129	0
<b>Total: Housing Repairs</b>	<b>129</b>	<b>0</b>
<b>Housing Income</b>		

<b>Table 2 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 3 £000</b>	<b>Month 2 £000</b>
This relates mainly to a forecast shortfall in rental income from garages of £158k due to slippage in appointing a garages refurbishment contractor. At the time the budget was produced the contractor was expected to be in place by mid-February 2018, however no competitive tenders were received. The work is being retendered and the forecast assumes a contractor is in place by late July 2018. In addition, there is an anticipated shortfall on income from advertising hoardings of £35k due to contractual issues and on dwelling rents and tenants service charge income of £12k, primarily because of increased void rates. This is offset by favourable variances on income from commercial property of (£65k) and Estate Pay & Park income (£16k).	124	214
<b>Total: Housing Income</b>	<b>124</b>	<b>214</b>
<b>TOTAL VARIANCE</b>	<b>3,724</b>	<b>3,685</b>

<b>Table 3 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 3 £000</b>	<b>Risk At Month 2 £000</b>
<b>Additional Fire Safety Costs</b> - following the fire at the Grenfell housing tower block in Kensington and Chelsea, the Council has put in place the Fire Safety Plus Programme to make fire safety improvements to the housing stock beyond the current legal minimum standards. There remains a risk that more work may be needed following the outcome of the Grenfell Public Enquiry.	unknown	unknown
<b>The implementation of the Hampshire Integrated Business Centre systems and its impact on service delivery</b> - most notably in terms of risks to income collection, arrears management and the associated bad debt risk, financial and management reporting, systems assurance and reconciliation reporting, the time taken to resolve payment issues, the opportunity cost of officer time in managing issues arising and other factors.	unknown	unknown
<b>MITIE Out of Scope</b> - A review of revenue repair costs and volumes on the out of scope element of the MITIE repairs and maintenance contract indicate that there remains a risk of a further overspend this year. Officers are reviewing the position monthly in detail.	TBC	TBC
<b>The impact of the Growth &amp; Place restructure:</b> The net impact of the restructure most notably additional resource requirement in the Property Services team and the further roll out of the concierge service. Finance Officers are working closely with the project team costing the emerging proposals.	unknown	unknown

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

Risk Description	Risk At Month 3 £000	Risk At Month 2 £000
<b>TOTAL RISKS MANAGED</b>	<b>0</b>	<b>0</b>

**Supplementary Monitoring Information**

**Repairs and Maintenance:** Expenditure on the Out of Scope (OOS) element of the contract with MITIE is forecast at £3.49m for 2018/19 which would result in a £0.2m overspend. General repair works account for roughly 50% of all OOS expenditure. The projected number of general repair work orders is expected to remain fairly static at around 6,800 orders per year, however, we have seen a steady increase in the average job cost for general repairs over the past year rising from an average cost of £269.19 in 2017/18 to £320.55 in 2018/19. It is also noticeable that increases in non-general trade categories is being felt including Door Entry (average cost £302.67 in 2017/18 and £357.38 in 2018/19) following the interruption of the door entry system renewal programme (for which costs are capitalisable) resulting in higher revenue repairs costs, and plumbing (average cost £129.38 in 2017/18 and £157.20 in 2018/19). Officers are closely scrutinising these costs to mitigate against these cost increases and bring costs back within budget for this year and for future years. Actions already being implemented include additional resourcing to check jobs and costs for MITIE OOS works.

**Debt servicing (interest)** costs have steadily been managed downwards in recent years as maturing debt is repaid to the Public Works Loan Board and refinanced by internal borrowing. Interest payments made have fallen from £10.5m (2015/16), £9.7m (2016/17) and £8.9m (2017/18) to £8.7m this year. The interest rate applicable to the remaining debt has also fallen from an average of 5.34% (2015/16) to 4.74% (2018/19) as the Council has repaid the highest interest-bearing loans as they mature.

Debt servicing costs are currently expected to be £8.4m for 2019/20 and £7.8m in 2020/21 (assuming continued access to the Earls Court funds for internal borrowing). No significant reductions in the loan servicing costs for existing debt are expected after 2020/21 as the bulk of high interest rate loans will be repaid (historically the Council has borrowed on fixed rate terms with the loans becoming repayable upon maturity).

The Housing Revenue Account business plan currently assumes debt repayments of £3.8m (8.875% interest rate) in 2018/19, £8.0m (average rate 6.9%) in 2019/20 and £9.5m (4.04% interest rate) in 2020/21 and that these loans are replaced by internal borrowing from housing funds, therefore not attracting any interest charge in the accounts. If Council successfully negotiates an exit from the Earls Court agreement then this internal borrowing from housing funds would need to be replaced by interest bearing borrowing from existing GF cash and / or additional PWLB borrowing, the impact of which would be substantially offset as a result of no longer having to take out additional borrowing to deliver vacant possession of the estates.

It will be important to fully understand the Council's overall long term cashflow forecasts to enable the treasury management decisions required especially in the context of other large projects such as King Street.

### Supplementary Monitoring Information

**Council Homes voids:** the number of void dwellings not available for rent has increased from 110 (April 2017), to 140 (April 2018) and 160 in June. The void rate has historically been low (0.84% in 2016/17 and 0.98% in 2017/18) but increased recently to 1.3% largely due to a deterioration in the works turnaround time which is controlled by MITIE. The contracted works turnaround time is 10 days but the current performance is much higher at 36 days. Officers have implemented a service improvement plan with MITIE and this is expected to bring the works turnaround time down to 20 days in the coming weeks. Although the current budget for voids allows for this level of voids (1.3%), if the emerging trend is not contained, this will result in an overspend.

**Commercial income:** the income generated has increased since 2016/17 from £1.15m to £1.46m in 2017/18 and is expected to increase to £1.54m this year. This is due to better management by the Council and GVA Grimley in achieving tenancies and minimising voids. GVA Grimley have been managing the Council's commercial properties since May 2015.

**Garages income:** the income generated has been increasing steadily in the last few years as a result of improvements in the management of the garages portfolio (£0.95m in 2016/17; £1.02m in 2017/18). The void rate has improved also, falling from 35% in 2016/17, to 27% in 2017/18, to 21% for the year to date. Garages income is forecast to reach £1.05m this year though that will be a shortfall against budget of £158k. As the garages refurbishment programme is progressed, this variance is expected to be eliminated in future years and the expected garages void rate by 2021/22 is 2.4%.

**APPENDIX 10 - VIREMENT REQUEST FORM**  
**BUDGET REVENUE MONITORING REPORT – MONTH 3**

<b>Details of Virement</b>	<b>Amount (£000)</b>	<b>Department</b>
<b>GENERAL FUND:</b>		
Realignment of Residents' Services budgets to reflect the impact of cashless parking and to correct wider income and budget issues: <ul style="list-style-type: none"> <li>• Transport and Highways FPNs shortfall £55k</li> <li>• Environmental Health licensing income shortfall £70k</li> <li>• Transport income shortfall £70k</li> <li>• Transport and planning consultancy income shortfall £65k</li> <li>• Non-chemical weed treatment £131k</li> </ul>	(391)  391	CPA  RS
Drawdown of £600k from Temporary Accommodation Reserve to fund cost avoidance payments for Private Sector Leasing and Direct letting landlords.	(600)  600	Reserves  GP
<b>Total General Fund requests (Debits)</b>	<b>991</b>	
<b>HRA</b>		
None to report		
<b>Total HRA Requested Virements (Debits)</b>		

<b>Department</b>	<b>Abbreviation</b>
Controlled Parking Account	CPA
Growth & Place	GP
Residents' Services	RS

# Agenda Item 7

<p>London Borough of Hammersmith &amp; Fulham</p> <p><b>CABINET</b></p> <p><b>8 OCTOBER 2018</b></p>	
<p><b>BUSINESS CASE &amp; PROCUREMENT STRATEGY IN RELATION TO THE PROCUREMENT OF STATIONERY, PAPER AND OFFICE EQUIPMENT</b></p>	
<p><b>Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification: For decision</b> <b>Key Decision: Yes</b></p>	
<p><b>Consultation:</b> Commercial and procurement, Finance</p>	
<p><b>Wards Affected:</b> ALL</p>	
<p><b>Accountable Director:</b> Lisa Redfern, Strategic Director of Social Care and Public Service Reform</p>	
<p><b>Report Author:</b> Geoff Sorrell, Procurement and Contracts Officer</p>	<p><b>Contact Details:</b> Tel: 020 8753 2583 Email: <a href="mailto:geoff.sorrell@lbhf.gov.uk">geoff.sorrell@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1. The Council's current contract with Office Depot for the supply of office stationery including photocopy paper, equipment, educational and electronic supplies is due to expire on 31<sup>st</sup> October 2018. The London Borough of Havering are putting into place a new four-year framework agreement which London Boroughs and other public bodies in the Greater London area can call off from.
- 1.2. The agreement will follow a two-stage procurement process under OJEU regulations, the second stage of which will be by a reverse e-auction. A decision is sought for the Council to call off from this new framework once it is in place.
- 1.3. The strategy for the procurement of a Pan London Office Stationery contract which will replace existing arrangements, is set out in Appendix 1 attached.



## **2. RECOMMENDATIONS**

- 2.1. That in accordance with the Council's Contracts Standing Orders (CSO) the Cabinet approves the Business Case & Procurement Strategy for the procurement of office stationery, photocopy paper and office equipment as set out in Appendix 1 attached.
- 2.2. That Cabinet grants a waiver from CSO 8.11, which requires the Business Case and Procurement Strategies to detail the main provisions contained in the draft specification and to identify any significant variations to the Council's standard terms and conditions. A business case and procurement strategy has been created but as the procurement is being run by LB Havering not all the information is currently available.
- 2.3. That in accordance with CSO 17.3.1 the award decision will be delegated to the Director of Public Service Reform in consultation with the Cabinet Member for Finance and Commercial Services.

## **3. REASONS FOR RECOMMENDATIONS**

- 3.1. To comply with the requirements contained in Contract Standing Orders to seek Cabinet approval before a regulated procurement exercise is commenced.
- 3.2. To have approval to proceed with the procurement strategy (Appendix 1) of calling-off from the framework due to be set up by LB Havering, subject to legal review of the framework T&Cs and internal approvals. An awarding report will be sent for approval to the Cabinet Member for Finance and Commercial Services at the awarding stage.

## **4. PROPOSAL AND ISSUES**

- 4.1. The proposal is for the Council to call off the four-year framework agreement for the supply of office stationery including photocopy paper, equipment, educational and electronic supplies at a total estimated cost of £400,000. This is in line with the Council's procurement approach to collaborate with other Councils and public bodies where there is a clear business case for doing so to drive costs down and improve service delivery. This arrangement will benefit the Council in the following ways:
  - Lower prices achieved through the aggregation of demand across London
  - Volume rebates/ e-procurement discounts
  - Shared management arrangements across London
  - Facility for electronic catalogues on the Council's eProcurement system which streamlines ordering, improves controls and supports commitment accounting.

4.2 It is anticipated that the forthcoming LBHF desktop strategy should lead to a reduction in the use of printer/photocopier paper and support future savings.

4.3 The council currently uses approximately 6 million sheets of printer/photocopier paper per year at a cost of £30k. Figures below show potential savings on paper and associated printing costs where the use of paper is reduced by 25%, 50% and 75% based on current paper prices and quality. Further savings could be achieved by ensuring that paper is only purchased from the contracted supplier and considering the use of lower grade paper.

<b>Potential Savings with Reduction in Use of Photocopier/Printer Paper</b>				
Percentage Usage Reduction	Paper Cost Savings	Printing Cost Savings		Potential Total Savings
		Mono	Colour	
	£	£	£	£
25% Reduction	7,500	3,948	24,577	37,526
50% Reduction	15,000	7,897	49,155	72,053
75% Reduction	22,500	11,846	73,733	106,579

4.4 This procurement will work in conjunction with the current review of the operational arrangements

5.

## AND ANALYSIS OF OPTIONS

5.1. The Procurement Team has undertaken a review in accordance with the CSOs. Appendix 1 sets out the commercial and procurement options, together with an analysis of these options.

## 6. CONSULTATION

6.1. Details of consultation undertaken by the Procurement Team given in Appendix 1 (see Paragraph/ Section 8.1).

## 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 approval of this Business Case and Procurement Strategy.

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

## 8. LEGAL IMPLICATIONS

8.1. This report seeks authority for LBHF to proceed with the procurement strategy set out at Appendix 1. This proposes that the London Borough of Havering (“**Havering**”) procure a new single-supplier framework agreement for the provision of stationery and office supplies with a commencement date of 1 November 2018 on behalf of several London local authorities, including LBHF, which Procurement Services have advised will be a named authority under the framework agreement. Once the framework agreement is

awarded, LBHF will be entitled to call-off from it and enter into a contract with the successful supplier, subject to internal approvals.

- 8.2. The value of the services for LBHF exceeds the relevant procurement threshold of £181,302 and therefore the full procurement regime under the Public Contracts Regulations 2015 (the “**Regulations**”) is engaged. The Business Case and Procurement Strategy set out in this report explains that the supplier will be selected by way of the restricted procedure set out at Regulation 28. Provided this procedure is followed correctly by Havering, and in accordance with the EU Treaty principles of transparency, non-discrimination, equal treatment of bidders, and proportionality, then the requirements of the Regulations will be satisfied. Procurement Services have informed Sharpe Pritchard that LBHF is a named authority under the framework that is being let by Havering and will therefore be entitled to call off from it in accordance with its requirements.
- 8.3. Legal Services have not seen a copy of the terms and conditions of the Framework Agreement or the template call-off Contract. As the procurement of the framework agreement is being run by Havering, it is recommended that LBHF be kept sighted of the procurement procedure to ensure compliance with the Regulations and its own Contract Standing Orders (“**CSOs**”).
- 8.4. CSO 8.11 requires Business Case and Procurement Strategies to detail the main provisions contained in the draft specification and to identify any significant variations to the Council’s standard terms and conditions. This information has not been provided in this report as Havering is procuring the framework agreement; as such, it is recommended that a waiver of this requirement be obtained from Cabinet. The approval of the Business Case and Procurement Strategy set out in this report must be given by Cabinet in accordance with CSO 8.12.1.
- 8.5. For the avoidance of doubt, approval of the recommendation in this report will not authorise LBHF to enter into a call-off contract with the successful supplier. A separate approval will be required following the conclusion of the framework agreement for LBHF to call off from it, which, on the basis that the value of the supplies LBHF requires amounts to £400,000, will be required either from the Cabinet unless the decision is delegated an Officer in consultation with the Cabinet Member (as the case may be) in accordance with CSO 17.3.
- 8.6. Implications verified/completed by: Raj Shah – Associate at Sharpe Pritchard on secondment to LBHF Legal Services ([rshah@sharpepritchard.co.uk](mailto:rshah@sharpepritchard.co.uk)).

## **9. FINANCIAL IMPLICATIONS**

- 9.1. The overall contracted spend on stationery at LBHF is around £80,000 per annum, with additional non-contracted spend of £20,000. The budgets for this expenditure are distributed across the council. The expected savings delivered from the re-procurement will therefore be distributed across all

departments and shared between the General Fund, HRA and services funded from ringfenced grants (e.g. Public Health Service).

9.2. Implications completed by: Gary Ironmonger, Finance Manager 020 8753 2109.

Implications were verified by Emily Hill - Assistant Director (Corporate Finance) , tel. 020 873 3145.

## **IMPLICATIONS FOR BUSINESS**

9.3. The framework is being tendered by LB Havering under an OJEU restricted procedure and will be advertised through the Tenders Electronic Daily website ([www.ted.europa.eu](http://www.ted.europa.eu)) and also on the Governments Contract Finder website.

9.4. The project commissioning manager will identify and encourage any suitable local companies to submit responses to the Selection Questionnaire. If they pass that initial stage, will be invited to submit a tender for the contract.

9.5. Local social and economic value benefits will be explored as part of the tendering process

9.6. Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 07739 316 957.

## **10. COMMERCIAL IMPLICATIONS**

10.1. This report seeks approval to call off from the Stationery Framework that is being awarded by the London Borough of Havering. It is proposed that the call off is awarded from the 1st November 2018 at an estimated cost of £400,000 over the four-year period of the contract. Table 10.2a in Contracts Standing Orders (CSO) 2016 recommends the following approach for "Supply and Service" Contracts £181,302 and greater: Use of an existing framework agreement; or Contract Notice to appear in the Official Journal of the European Union, an opportunity listing on the e-tendering system webpage and publication of a Contract Notice in "Contracts Finder.

10.2. The estimated value of the contract is over the statutory threshold for Supplies, currently set at £181,302. As a result, the contract is subject to a full procurement.

10.3. The framework agreement is being procured following the full rigorous procurement rules set out in Public Contracts Regulations.

10.4. Moreover, the previous e-auction in 2014 saw a comparative saving of just under 53% between the winning suppliers opening and final bids".

10.5. In conclusion, the recommended approach is in line with both the Council's CSOs and PCR 2015, subject to internal legal review once framework is awarded.

10.6. Implications verified/completed by: Andra Ulianov, Procurement Consultant, tel. 0208 753 2284.

## **11. SOCIAL VALUE CONSIDERATIONS**

- 11.1. Details of the Social Value considerations identified by the Procurement Team under the requirements of the Public Services (Social Value) Act 2012 are given in Appendix 1 (see Paragraph/Section 6.1).
- 11.2. Implications verified/completed by: Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

## **12. IT IMPLICATIONS**

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

## **13. RISK MANAGEMENT IMPLICATIONS**

- 13.1. The award of the contract presents a low risk to the Council but contributes to the management of financial risk through savings achieved through the Procurement Framework. This is in line with managing our Council's Commercial and Procurement risk and also with the Council Priority of Being Ruthlessly Financially Efficient. Part of the consideration of the Tendering was to ensure that efficiencies could be gained by the upload of a catalogue to the Council's Finance system. This function will be enabled once the Council has successfully migrated to the new Hampshire System. Details of the risks and issues and implications identified by the Service Review Team are given in Appendix 1 (see Paragraph/Section 3.6).
- 13.2. Implications verified by: Michael Sloniowski, Risk Manager, tel. 020 8753 2587.

## **14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

None

## **LIST OF APPENDICES**

Appendix 1 – Business Case & Procurement Strategy

**REPORT RELATING TO  
BUSINESS CASE;  
PROCUREMENT STRATEGY; and  
PROJECT MANAGEMENT AND GOVERNANCE  
FOR THE PROCUREMENT OF OFFICE STATIONERY, PHOTOCOPY  
PAPER AND OFFICE EQUIPMENT**

**BUSINESS CASE**

**1. BUSINESS CASE – WHY THE PROCUREMENT IS NEEDED**

- 1.1. The existing framework contract for the supply of office stationery and supplies expires on 31<sup>st</sup> October 2018. The London Borough of Havering (LBH) is the lead organisation for the existing framework agreement which is currently accessed by approximately 55 public bodies including most London Boroughs via individual Access Agreements and separate call-off contracts.
- 1.2. The framework agreement for the supply and delivery of office stationery was awarded to Office Depot UK Ltd for the period of four years from 1<sup>st</sup> November 2014 to 31<sup>st</sup> October 2018. This includes photocopy paper, office equipment, educational and electronic supplies and therefore a new contract needs to be procured to ensure continuity of service. The current contract has operated successfully with a total framework value of approximately £15m.
- 1.3. Under the framework agreement, no commitment is made as to the number of orders that are placed. The Council's annual estimated contracted cost is approximately £80k based on previous years expenditure, with a further £20k spent with suppliers outside of the contract. The London Borough of Havering are proposing to continue to manage the framework agreement remotely, chairing annual performance review meetings with the supplier and representatives of the London boroughs. Each participating council will manage their requirements independently including managing their own contractual/supplier relationships.
- 1.4. H&F's stationery contract with Office Depot UK Ltd via an access agreement (i.e. call-off contract) has the same contractual period as the framework and will therefore terminate at the same time.
- 1.5. The London Borough of Havering are intending to continue the current arrangement and procure a new framework agreement on behalf of the estimated 55 public bodies who are involved in the existing contract. It is expected that most or all of these bodies will participate in the new framework procurement project and then call off from the framework via access agreements (call-off contracts).

- 1.6. It is proposed that, subject to subsequent internal approvals being sought and given, H&F call off from the newly let framework agreement for the provision of office stationery commencing on 1<sup>st</sup> November 2018 for a period of four years at an estimated total call off value over that period of £400,000.

## **2. FINANCIAL INFORMATION**

- 2.1. The budget for stationery is held at departmental level.
- 2.2. Individual service managers are responsible for managing their own budget.
- 2.3. H&F's contracted spend on stationery has dropped year on year since 2010/11 from £190,000k in 2010/11 to £83,000 in 2017/18 and this trend is expected to continue.

## **3. OPTIONS APPRAISAL AND RISK ASSESSMENT**

- 3.1. Do nothing  
This is not an option because the current contract expires on 31 October 2018 and there is no further provision to extend the contract.
- 3.2. Go out to tender  
The Council could re-tender the contract but given the much lower volumes involved is unlikely to offer the best value for money.
- 3.3. Participate in another existing framework agreement managed by the Yorkshire Purchasing Organisation (YPO) or Crown Commercial Services (CCS).
- 3.4. The London Borough of Havering undertook a benchmarking exercise comparing prices available from the existing and YPO and CCS framework agreements and have concluded that the existing YPO and CCS prices are more expensive than the current prices through the LBH framework and this is expected to remain to be the case.
- 3.5. Extend the current London Borough of Havering framework. There are no provisions contained in the 2006 Regulations to extend an existing framework agreement. Under these Regulations framework agreements cannot be concluded for more than a four-year duration unless there are exceptional circumstances.
- 3.6. The award of the contract presents a low risk to the Council but contributes to the to the management of corporate risk number 1 of the Strategic Risk Register, managing budgets.

## **4. THE MARKET**

- 4.1. There are many major suppliers in the market.
- 4.2. The b2b stationery sector has seen a fall in the amount spent on traditional stationery products.
- 4.3. The stationery market is changing with more use being made of tablets and mobile devices resulting in a reduction in the demand for notebooks, diaries and paper etc.

## **PROCUREMENT STRATEGY**

### **5. CONTRACT PACKAGE, LENGTH AND SPECIFICATION**

- 5.1. The proposal is to use the same service specification re deliveries, minimum order values etc. as per the current contract. The framework will be established at a base level with individual organisations able to change specifications such as deliveries and minimum order values to suit their circumstances at the point of calling off from the framework.
- 5.2. To enhance the competitiveness of the opportunity, the proposal is to award the contract as a single lot unlike at present where there are 2 lots - stationery and toner. It is not expected that this will impact on the prospective suppliers as all the key players have capacity to provide the full range of requirements.
- 5.3. LBHF would, subject to internal approvals being given following a separate report, call off from the framework agreement via a call-off contract for a four-year period which will be co-terminus with the framework.
- 5.4. The supplier will be required, under the new contract, to comply with all relevant legislation for example relating to health and safety and information security.
- 5.5. An electronic catalogue of items will be provided by the successful supplier. This catalogue will be reviewed and edited to ensure that the products loaded into the financial system provide the best value for money and are environmentally friendly.
- 5.6. Contract Length - The framework agreement will have a duration of four years. Service contracts that are called off the framework will have a duration of up to four years.
- 5.7. H&F has participated in the regional framework for office stationery let by the London Contract and Supplies Group (LCSG) for approximately 14 years, during which time it has enjoyed the benefit that increased leverage can bring through the aggregation of expenditure on common supplies and services across London.



## **6. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFITS**

- 6.1. The tendering documentation will include requirements around social value but these are not yet available from London Borough of Havering. Details will be added to the report when they become available.

## **7. OTHER STRATEGIC POLICY OBJECTIVES**

- 7.1. Providers will need to supply a satisfactory equal opportunities policy as part of the tender process.
- 7.2. The new contract will encourage or introduce the use of more environmentally friendly and green products.

## **8. STAKEHOLDER CONSULTATION**

- 8.1. London Borough of Havering is consulting with all London Boroughs and other public bodies in the procurement process.

## **9. PROCUREMENT PROCEDURE**

- 9.1. This procurement will be conducted using a call off from the framework agreement led by London Borough of Havering.
- 9.2. The framework is being procured through an OJEU restricted procedure.
- 9.3. Following the qualification stage, it is expected that four or five suppliers will participate in the final e-Auction.
- 9.4. The previous e-auction in 2014 saw a comparative saving of just under 53% between the winning suppliers opening and final bids.

## **10. CONTRACT AWARD CRITERIA**

- 10.1. All award criteria and scoring methodology will be included in the invitation to tender documents. Contracts will be awarded on a 100% price basis following the running of an e-Auction using a basket of goods containing the most frequently purchased products (by all organisations on the existing framework) in 2017.
- 10.2. There will be some pass/fail elements which will include documents returned by tenders, for example financial stability and insurance levels.

## **PROJECT MANAGEMENT AND GOVERNANCE**

### **11. PROJECT MANAGEMENT**

- 11.1. The management of the procurement of the framework will be carried out by LBH in consultation with the all the organisations named on the OJEU Contract Notice.
- 11.2. A review of the proposed basket of goods has been carried out to ensure that H&F needs will be reflected in the core product list.

### **12. INDICATIVE TIMETABLE**

- 12.1. The following timetable shows that the framework should be completed and supplier appointed by 30<sup>th</sup> September 2017.

	<b>Task</b>	<b>Start</b>
1	Finalise all tender documentation & publish OJEU notice	June 2018
2	Complete and return qualification responses	TBC by LBH
3	Evaluation of SQ returns (including clarifications)	TBC by LBH
4	Issue Invitation to tender	TBC by LBH
5	Run e-Auction via capitalEsourcing	TBC by LBH
6	Standstill period (10 days is mandatory) & official contract award	TBC by LBH
7	H&F governance for approval for 1. procurement strategy 2. service extension 3. delegated authority to award	September 2018
8	Obtain delegated decision from cabinet member to award and for H&F to call off from framework	October 2018
9	Commencement of new contract	November 2018

### **13. CONTRACT MANAGEMENT**


- 13.1. Each contracting authority will have its own service contract with the successful provider and each authority will have responsibility for managing this contract (including starting and ending the service). It will be possible to

negotiate local variations to each service contract, where these are required by an authority.

- 13.2. H&F's relationship with the current provider under the existing contract is currently managed by staff members within the Commercial and Procurement team of PSR and this arrangement will continue with the supplier that is selected through this procurement.
- 13.3. The existing catalogue contained more than 10,000 items, which has been reviewed and reduced to approximately 1,700 items which provide the best value for money.
- 13.4. Once the contract has been awarded there shall be further consideration when loading the new catalogue on the Hampshire financial system to ensure the following:
  - that departments will only be able to purchase from a choice of essential stationery products and if they wish to purchase products outside of the core list it will be considered on a case by case basis
  - Limiting the range of photocopier paper that departments can purchase to only those that are made of recycled material
  - Disable any other stationery suppliers on the system to eliminate any non-contracted spend.
- 13.5. There shall be a further review of the delivery and storage points within Hammersmith and Fulham to establish further efficiencies.
- 13.6. This procurement will work in conjunction with the ongoing review into the operational processes for the purchasing to gain efficiency savings.

-----

# Agenda Item 8

<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>8 OCTOBER 2018</b></p>	
<b>IDOX MANAGED SERVICE ICT SYSTEMS CONTRACT EXTENSION</b>	
<b>Report of the Cabinet Member for Finance and Commercial Services: Councillor Max Schmid</b>	
<b>Open Report</b>	
<b>Classification - For Decision</b> <b>Key Decision: Yes</b>	
<b>Consultation:</b> Strategic Leadership Team Corporate ICT Legal Services Residents' Services departmental management team Growth and Place departmental management team	
<b>Wards Affected:</b> None	
<b>Accountable Directors:</b> Jo Rowlands, Strategic Director of Growth and Place	
<b>Report Author:</b> Iain McCord <b>Business Manager</b>	<b>Contact Details:</b> Tel: 020 8753 8256 E-mail: <a href="mailto:iain.mccord@lbhf.gov.uk">iain.mccord@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1. The Idox Group provide LBHF the land and property based IT system (Uniform) used by Planning Services, Environmental Health, Licensing, Trading Standards, Building Control and Land Charges together with a linked electronic document management system (EDMS) and web interfaces. Uniform also holds the Council's Local Land and Property Gazetteer (LLPG).
- 1.2. On 31<sup>st</sup> October 2013, the LBHF entered into a contract with the Idox Group via the Hammersmith and Fulham Bridge Partnership (HFBP) to provide a fully managed service for a period of five years from the service start date of 1<sup>st</sup> April 2014, with the option to extend at the option of the Council for a period of up to two years. This contract was novated from HFBP to LBHF in October 2016 along with all other ICT contracts.

- 1.3. The contract with Idox Group has been successful and resulted in tangible savings of £250,000 over the initial five year term together with a number of intangible benefits, such as quicker system upgrades and faster resolution of incidents. In addition, the move has enabled other benefits such as the introduction of the Enterprise workflow management tool to help managers better organise and track the allocation of work in their teams.
- 1.4. On the basis that LBHF extend the contract for a further two years, Idox will deploy a number of additional mobile applications worth £42,000 to front line officers within the contract price.
- 1.5. Officers recommend that LBHF extend the contract term in accordance with the provisions of the contract with Idox until 31<sup>st</sup> March 2021 and, in parallel, plan and carry out a procurement exercise to deliver a new contract to start from 1<sup>st</sup> April 2021 following a period of mobilisation.

## **2. RECOMMENDATIONS**

- 2.1. That approval be given for the Council to extend the contract term between the Council and the Idox Group which commenced on 1<sup>st</sup> April 2014 by a further two year period in accordance with the terms of the contract at an estimated total cost of £548,500 for the period from 1<sup>st</sup> April 2019 until 31<sup>st</sup> March 2021. The contract is for the provision and support of the Uniform IT system and associated ICT software.
- 2.2. To note that the extended contract will be on the same terms as in the original contract with the addition of mobile 'on site' applications at no additional cost to the Council.

## **3. REASONS FOR DECISION**

- 3.1. The Uniform ICT suite of products is embedded into Council's operating model and given the complexity that would be associated with a change in provider together with the significant amount of wider corporate ICT changes scheduled over the next 12 months, attempting to move systems now would be extremely high risk.
- 3.2. By extending the contract, LBHF will gain additional benefits within the contract price including as set out in 1.4.
- 3.3. Extending the contract by a further two years in accordance with the terms of the contract enables the Council adequate time to plan and execute a tender process for a new contract.

## **4. BACKGROUND**

- 4.1. Uniform is a land and property based system provided by the Idox Group and is a key IT platform for multiple regulatory services across the Council including:
  - Building Control (including contraventions and dangerous structures);

- Planning (applications, appeals, enforcement, listed buildings, tree preservation orders, development condition monitoring);
  - Environmental Health (accident reports, commercial premises, service requests, infectious diseases, pest control, pollution prevention and control, private water supplies);
  - Land Charges;
  - Private Sector Housing (residential premises, housing assistance grants, service requests, licensing houses in multiple occupation (HMO's));
  - Trading Standards (business register, service requests, risk analysis, Consumer Direct interface);
  - Contaminated Land (register of land which has hosted uses that may lead to contamination);
  - Licensing (licensed premises and individuals covering alcohol, gambling and all other licensable activities);
  - Local Land and Property Gazetteer (LLPG).
- 4.2. In addition to the Uniform system, Idox also supply an electronic document management system (EDMS) as part of the contract which holds all records and directly interfaces into Uniform.
- 4.3. On 16<sup>th</sup> September 2013, the Cabinet agreed for the Hammersmith and Fulham Bridge Partnership (HFBP) to enter into a five-year contract commencing on 1<sup>st</sup> April 2014 with the Idox Group with the option of two additional one-year extensions for a fully hosted service.
- 4.4. The total value over the seven year term is £1,781,250. This included an initial £31,250 implementation cost, followed by seven annual payments of £250,000. This annual charge was comprised of a fixed fee of £150,000 for hosting, upgrade and patch management, and a variable fee of £100,000 per annum subject to inflation for product support and maintenance.
- 4.5. Since the implementation of the contract, the following additional services have been added at a cost of £12,250 per annum:
- Deployment of the Exacom Section 106 and Community Infrastructure Levy (CIL) management tool;
  - Additional data extracts for use with other application and services;
  - Automation of National Land Information Service (NLIS) submissions.
- 4.6. The move has resulted in savings of £250K in ICT support charges over the initial five year term along with a number of softer benefits including quicker upgrades and the deployment of additional functions, such as the Enterprise workflow management tool.

## 5. PROPOSAL AND ISSUES

- 5.1. The proposal is to enact the option in the contract to extend the current contract with the Idox Group until 31<sup>st</sup> March 2021.

### **Benefits of extending the contract**

- 5.2. Key benefits of extending the contract with the Idox Group include:
- **Maintaining a well functioning system and service** – the hosted system has been deployed since 2014 and has offered a stable offering to both staff and the public, who interact with the system via the Public Access web portal. Extending the contract ensures that there is no major disruption to these service with the associated operational costs and reputational risks.
  - **Allowing adequate time to carry out a full procurement exercise** – by extending the contract until 2021, this enables the Council the time to develop a procurement strategy, assess the marketplace and ensure that decisions reflect the longer term aspirations of the Council.
  - **Avoiding immediate costs and risks of implementing and migrating to a new system for April 2019** - LBHF is going through a significant period of ICT related change over the next 12 to 18 months and therefore potentially changing systems in that timeframe would bring a significantly increased implementation risk.
- 5.3. In addition to the benefits outlined above, Idox will provide a number of additional mobile applications worth £42,000 at no additional cost to the Council. The additional mobile applications include:
- Planning Inspections
  - Planning Enforcement
  - Building Inspections
  - Commercial Premises Inspections
  - Service Requests
  - Licensing Enforcement
- 5.4. The deployment of these applications will help improve the efficiency of front line officers using Uniform through enabling them to:
- view, complete and create inspections on site and automatically sync these records with those in the back office;
  - obtain case details when on-site, take photos which automatically upload to the EDMS, and view and sort all inspections on a map;
  - avoid duplication by updating multiple inspections/plots at once where inspection details are the same or similar
  - reduce their travel to the office to pick up workloads and update the back office system;
  - reduced printing costs and administrative efforts as case work can be accessed directly via the mobile app.

## Issues

- 5.5. The contract was originally entered into by LBHF's then strategic ICT provider, HFBP, on behalf of LBHF in 2014 before being novated back to the Council on the original terms in November 2016. The contract was not therefore let through an EU compliant public procurement process and is potentially subject to challenge from the marketplace.
- 5.6. To mitigate the risk, officers are preparing to carry out a full procurement exercise to award a new contract to start in April 2021.

## Preparing for the next contract

- 5.7. As the current contract with the Idox Group cannot be extended beyond 31st March 2021, a procurement exercise will be planned and delivered to enable a replacement contract and set of services to be implemented by this date.
- 5.8. In order to achieve this, and to allow enough time to safely implement should an alternative system provider be successful, a project team and board will be set up in the autumn to begin developing a procurement strategy.
- 5.9. The table below outlines a potential timetable – this may change once the procurement strategy is developed and agreed.

Stage	Dates
Procurement options scoping and soft market testing	Sept 2018 – Mar 2019
Procurement strategy delivered to Cabinet	Apr 2019
Tender / procurement process	Apr – Aug 2019
Contract award and signing	Aug – Sep 2019
Implementation and exit management	Oct 2019 – Apr 2021

- 5.10. The objective is to bring the procurement strategy and business case to Cabinet in Spring 2019 for approval.

## 6. ALTERNATIVE OPTIONS CONSIDERED

### 6.1. Tendering for April 2019

The option of retendering services for April 2019 is not recommended by officers as:

- There is a significant amount of ICT related change over the next 12-18 months including the rollout of new desktop infrastructure, major office moves and the implementation of new finance, payroll and HR systems which will have a significant impact on resources and capacity. Adding a further major system change would not be a sensible decision at this time.
- The Idox managed service has bedded in over the last four years and is performing well. The Council also has a strong and positive relationship with the supplier. There is therefore no operational urgency for a change.



- There is uncertainty about the future operating model of the shared Environmental services with the Royal Borough of Kensington and Chelsea (RBKC), many of which use the Uniform system. Understanding the future model will help inform the procurement strategy. LBHF will therefore be better placed to develop this later in 2018.

## **7. CONSULTATION**

7.1. This paper has been developed in consultation with the following groups:

- Strategic Leadership Team
- LBHF Idox user group
- Resident Services departmental management team
- Growth and Place departmental management team
- Corporate ICT
- Legal Services

## **8. EQUALITY IMPLICATIONS**

8.1. It is not anticipated that there will be any negative impact on any groups with protected characteristics, as defined by the Equality Act 2010, from the extension of this ICT contract.

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

## **9. LEGAL IMPLICATIONS**

9.1. The original contract provides for an ability for the Council, at its option, to extend the term by a period or periods of up to 2 years. The recommendation is to approve the extension of the contract in accordance with these terms.

9.2. The Contract was novated to the Council on 21st October 2016. Legal advice was given to the Council generally on the novation of the ICT agreements at the time of the novation. Advice has been provided on the risks associated with the direct award of the Contract and subsequent extension.

9.3. Implications verified by: Sally Stock, Partner, Sharpe Pritchard LLP, on secondment to the Council, sstock@sharpepritchard.co.uk

## **10. FINANCIAL IMPLICATIONS**

10.1. The applications budget at the beginning of 2018/19 is £2.648m. The majority of the Council's contracts with application providers are paid from this budget as a result of the novation from HFBP to LBHF in November 2016.

10.2. This budget is currently forecast on target for 18/19.

10.3. The annual cost of the contract with Idox is comprised of a fixed fee of £0.153m per annum, with an additional variable charge for maintenance and

support costs. In 2017/18, this variable charge amounted to £0.102m, and in 2018/19 will be £0.106m.

- 10.4. Should the recommendation to extend the current contract be implemented, it is anticipated there would be no financial impact on the applications budget as a result.
- 10.5. Implications completed by: Andre Mark, Finance Manager, Finance and Governance, tel. 020 8753 6729.
- 10.6. *Implications were verified by Emily Hill – Assistant Director (Corporate Finance), tel. 020 8753 3145.*

## **11. IMPLICATIONS FOR BUSINESS**

- 11.1. No direct implications for local businesses.
- 11.2. Implications completed/verified by: Albena Karameros, Economic Development Team, tel. 07739 316 957.

## **12. COMMERCIAL IMPLICATIONS**

- 12.1. This report seeks approval to extend contract the Council holds with Idox until 31<sup>st</sup> March 2021.
- 12.2. The original contract, due to expire on 31<sup>st</sup> March 2019, has provisions for extensions for up to 2 years.
- 12.3. The contract register shall be updated to reflect the decision of extending the contract in line with the current terms and conditions.
- 12.4. Commercial Implications provided by Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

## **13. IT IMPLICATIONS**

- 13.1. Given the service is happy with the current Idox service and it has already achieved the benefits listed in the report, IT Services is supportive of the contract extension. There is a large volume of IT change being delivered over the coming 12-18 months and the contract extension will de-risk the impact of a reprocurement at this stage.
- 13.2. The current Idox contract already meets the council's strategy to have systems hosted externally where practical to reduce our internal infrastructure requirements. However, we note that their ISO 27001 accreditation is not validated by the UK Accreditation Service (UKAS) which is the UK government affiliated accreditation body. This issue was highlighted during the initial procurement.
- 13.3. The additional mobile applications which are being included free of charge as part of the extension also support the council's strategy to be more mobile and deliver services at the point they are needed.


- 13.4. IT Services will work with the service on the reprocurement to inform the requirement of the corporate IT strategy, including integration and information security.
- 13.5. IDOX is expected to function with open Application Programme Interfaces (APIs) and capable of interfacing with the council's Business Intelligence system if required. This will enable the council to use predictive data analysis in shaping its services. If data is required for this purpose then the council will ensure the Privacy Impact Assessment is reviewed accordingly and required information governance actions are carried out.
- 13.6. IDOX will be processing personal data on behalf of H&F (for example Planning applicant information, licence holder details etc) so a Privacy Impact Assessment is to be completed to comply with new statutory data protection requirements and to ensure all potential data protection risks are properly assessed with mitigating actions agreed and implemented. For example, a contract data protection and processing schedule plus a Supplier Security Checklist to ensure the systems used by the new contractor comply with H&F's regulatory requirements.
- 13.7. Implications completed by: Veronica Barella, Chief Information Officer, tel. 020 8753 2927.

#### **14. RISK MANAGEMENT**

- 14.1. The Idox systems support delivery of important regulatory services across the Council that contribute to the delivery of the H&F vision, Council priorities and corporate service delivery risk as referenced in 4.1 of the report.
- 14.2. The report proposals provide the Council with an important level of stability and continuity of service with the incumbent provider during changes covering how staff may be deployed in the future, the delivery of the IT Strategy and introduction of new IT kit enabling improved mobility of staff around key working areas.
- 14.3. Given the change risks that are coming on stream in the year, it is of benefit to the Council to extend current arrangements subject to a procurement phase commencing in September 2018. This would enable Members to consider a range of options that would be outlined in a procurement business case.
- 14.4. The Idox Group have confirmed they are compliant with the General Data Protection Regulations in accordance with the management of our corporate information management and digital continuity risk.
- 14.5. As a hosted service, responsibility for business continuity and disaster recovery rests with the service provider and are being considered as part of the Council's refresh of corporate and service business continuity planning needs.
- 14.6. Implications verified/ by: Michael Sloniowski Risk Manager, tel. 020 8753 2587.

## **15. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

None

<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>CABINET</b></p> <p style="text-align: center;"><b>8 OCTOBER 2018</b></p>	
<p style="text-align: center;"><b>ALTERNATIVE ECOLOGICAL MITIGATION CONSULTANTS PROCUREMENT</b></p>	
<p><b>Report of the Cabinet Member for the Environment – Councillor Wesley Harcourt</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For Decision</b> <b>Key Decision: Yes</b></p>	
<p><b>Consultation</b> The wormwood Scrubs Charitable Trust has been consulted.</p>	
<p><b>Wards Affected:</b> “All”</p>	
<p><b>Accountable Director:</b> Mahmood Siddiqi – Director of Highways &amp; Parks</p>	
<p><b>Report Author:</b> Richard Gill – Wormwood Scrubs Development Manager (Leisure Services)</p>	<p><b>Contact Details:</b> Tel: 07833482119 E-mail: <a href="mailto:Richard.Gill@lbhf.gov.uk">Richard.Gill@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report is seeking permission for the council to approach the market and procure contracts for design proposals at Wormwood Scrubs Park. These proposals are required to fulfil a legal agreement between the council and High Speed Two Limited (HS2) to improve biodiversity.
- 1.2. Improved biodiversity and access to nature will play a part in the new H&F Health and Wellbeing Strategy. Access to good and varied leisure activities is proven to support the strategy’s key aims of; supporting good mental health for all, supporting children and their families to be healthier, and reversing the rising numbers of acquired long term health conditions.
- 1.3. The design proposals will reflect the H&F business Plan 2018/22, in particular the priority of ‘taking pride in Hammersmith and Fulham’ by supporting the aims to; make the borough the greenest in Britain, support endangered bat and beetle populations, plan the best places for trees, and dedicate space for long grass and wildflowers as the basis for educational opportunities for children and schools.

- 1.4. HS2 is providing funding for the project of £3,885,657, this includes a budget to procure consultants of £782,000. The pre-tender estimate for the procurement of consultants to provide the design proposals in this report is £344,000 comprising £266,000 to appoint a design consultant and £78,000 to appoint a cost consultant.
- 1.5. Approval of this proposal should have no financial impact on the Council or the Wormwood Scrubs Charitable Trust (WSCT). This is because within the agreement the costs to design, implement and maintain the proposals and any reasonable costs properly incurred by the Council, will be reimbursed by HS2. Since the agreement is between the Council and HS2 the Council will procure contracts on behalf of the WSCT.

## **2. RECOMMENDATIONS**

- 2.1. To approve the Business Case and Procurement Strategy for the appointment of design consultants to produce; a conservation management plan, detailed draft proposals, specifications and a 10-year management plan, for a pre-tender estimate of £266,000.
- 2.2. To approve the Business Case and Procurement Strategy for the appointment of cost consultants to produce cost plans and to oversee and review the design process for a pre-tender estimate of £78,000.
- 2.3. That delegated authority be granted to the Director of Highways &, Parks in consultation with the Cabinet Member for the Environment, to award the contracts for appointment of the design consultants and the cost consultant the costs of which will be reimbursed by HS2.

## **3. REASONS FOR DECISION**

- 3.1. To comply with the requirements contained in Contract Standing Orders, which requires approval before a regulated procurement exercise is commenced, and to comply with the Promoters requirement to achieve value for money.

## **4. INTRODUCTION AND BACKGROUND**

- 4.1. Wormwood Scrubs Park, known locally as 'the Scrubs' is the largest open space in the London Borough of Hammersmith and Fulham and has been public open space since the Wormwood Scrubs Act of 1879. Its history shows it has been protected from development and subject to a wide range of uses leaving a unique multi-faceted estate that is at once both underused and under pressure.
- 4.2. The eastern side of the Scrubs is predominantly mown grass laid out mainly as football pitches which, together with the adjacent Linford Christie Stadium and Pony Centre, provide significant recreational opportunities. The western side of the Scrubs is identified as a Site of Importance for Nature Conservation

(SINC), predominantly unmown grassland and scrubland with significant, developing biodiversity opportunities.

- 4.3. Many residents and visitors take the opportunity to walk or jog on the Scrubs appreciating access to both nature and recreational opportunities. As the number of residents and users within the Old Oak & Park Royal Development Corporation (OPDC) area increases, there will be increased demand and pressure on these activities. This pressure will be felt most on sensitive wildlife habitats if appropriate design and management is not in place.
- 4.4. The construction of the HS2 line within the OPDC area has led to a legal agreement dated 20<sup>th</sup> October 2016 (the Agreement) between the Sec. of State for Transport and the council. This sets out the requirements to design alternative ecological mitigation for the Scrubs to that set out in the HS2 Bill. The funding of these proposals by HS2 provides the best available opportunity to put appropriate design and management of biodiversity in place on the Scrubs.

## 5. PROPOSAL AND ISSUES

- 5.1. **Proposal.** We are proposing to go out to tender for a lead design consultant to:
  - Develop a conservation management plan (CMP). This will confirm the main issues and risks for the Scrubs. It will put forward a vision and objectives with which to consult with stakeholders and work to address them.
  - Design the Alternative Ecological Mitigation (AEM) proposals which reflect the CMP principles. This Detailed Draft Proposal is to be approved by HS2 before it can be developed further.
  - Develop proposals into a specification which is to be approved by HS2 before it can be used for tendering the works.
  - Produce 10-year management plans for the AEM works which include biodiversity surveys to measure improved wildlife opportunities.
  - Manage any subconsultants required within the design team.
  - Act as Contract Administrator for the implementation of the works.
- 5.2. It is proposed cost consultants are a separate appointment to maintain a robust independent view on cost plans and cost management.
- 5.3. **Issues.** The Scrubs has a wide range of stakeholders with sometimes conflicting interests. The AEM funding cannot be used to improve facilities that do not improve biodiversity opportunity. The aspirations of some stakeholders will have to be addressed through other funding mechanisms which will be identified as risks in the CMP. The CMP will set objectives to address the main issues and risks before developing the AEM proposals.

## 6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. A Service Review Team (SRT) has undertaken a service review in accordance with Contracts Standing Orders and prepared the procurement

strategy and the business case. Appendix 1 sets out the commercial and procurement options, together with an analysis of these options.

## **7. CONSULTATION**

- 7.1. Consultation has taken place with key stakeholders; The Wormwood Scrubs Charitable Trust, HS2, OPDC and the Friends of Wormwood Scrubs.

## **8. EQUALITY IMPLICATIONS**

- 8.1. The Council has given due regard to its duties under Section 149 of the Equality Act 2010 and it is not anticipated that there will be any negative impacts on any groups with protected characteristics from the approval of the Business Case and Procurement Strategy for the design of the alternative ecological mitigation proposals for Wormwood Scrubs.
- 8.2. Implications verified and completed by: Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206.

## **9. LEGAL IMPLICATIONS**

- 9.1. **The appointment of the Design Consultant.** The value of the design consultant is above the service threshold specified in the Public Contracts Regulations 2015 (as amended) (currently £181,302). As specified at appendix 1 the Council will publish a Contract Notice in the Official Journal of the European Union stating the process it will follow for the tender. The proposed procurement process is the Restricted process and shall be conducted in compliance with the Regulations. The Restricted process is a two-stage process whereby the Council runs a selection process to reduce the number of tenderers who are invited to tender. The shortlisted tenderers are then invited to submit tenders by a set deadline. All received tenders will be evaluated by the SRT in accordance with the proposed evaluation criteria as set out in Appendix 1. The restricted procedure is considered appropriate for this procurement in order to reduce the bid pool at the first stage of the process.
- 9.2. **Appointment of the Cost Consultant.** The value of the cost consultant appointment is below the service threshold specified in the Public Contracts Regulations 2015 (as amended). The value is below £100,000 and in accordance with the Council's Contracts Standing Orders quotes will be sought using a suitable framework. The officers have identified the Crown Commercial Services Framework RM 3741 for Project Management and Full Design Team Services as an appropriate framework for these services. A mini competition will be run in accordance with the procedures set out in the Framework Agreement and all Framework Contractors in the relevant lot will be invited to tender.
- 9.3. For both procurements a standard consultancy form of agreement can be used. This should be adapted to fit the Council's own requirements and to cover the 10-year period during which the consultant will prepare



management plan updates. A standard form can be used as the tenderers will be familiar with the terms.

- 9.4. The proposals of this appointment meet the statutory requirements contained in the Public Services (Social Value) Act 2012 in that the service, by its nature, as an alternative ecological mitigation assessment, will benefit the local community with the improvement of the environmental habitat of the Scrubs and increase in biodiversity opportunity. The consultants will be required to seek input from local groups and stakeholders. Thereby the consultancy work and ultimately the works which flow from it are aimed at improving the social and environmental well-being of the area.
- 9.5. Implications verified/completed by: Sally Stock, Partner, Sharpe Pritchard LLP, on secondment to the council, tel. 020 74064500.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. This report seeks approval of the approach and process to appoint development consultants and related cost consultants associated with the implementation of Alternative Ecological Migration (AEM) works at Wormwood Scrubs.
- 10.2. The overall consultants budget (design, management, and implementation) is £782,000 over the 10-year projected lifetime as set out in Appendix 1 (section 2 “Financial Implications”). £344,000 is the pre-tender estimate for the development consultant (£266,000) and cost consultant (£78,000). VAT will apply and this will be recoverable as the Council will be the party entering into the contracts.
- 10.3. Approval of this proposal should have no financial impact of The Wormwood Scrubs Charitable Trust. This is because the costs to design, implement and maintain the AEM proposals and management plans, together with any reasonable costs properly incurred by the Council, will be reimbursed by High Speed Two Limited Ltd (HS2). The Council is required to ensure that all costs are reasonable and property incurred.
- 10.4. HS2 funding includes maintenance of the new works for up to ten years. Additional funding would be required to progress any activities beyond the AEM works. There is an overall project aspiration to identify additional investment through CiL, S106 or other funding and explore how income could be increased through events, licences, and other activities.
- 10.5. Implications completed by: Mark Jones, Director for Finance, 020 8753 6700.
- 10.6. Implications were verified by Emily Hill – Assistant Director (Corporate Finance) Tel. 020 8753 31451.

## 11. IMPLICATIONS FOR BUSINESS

- 11.1. This proposal could potentially create supply opportunities for local businesses and skills/employment opportunities for local residents. Most of these are likely to be identified with the procurement of the contractor and the consultants' brief will be to develop and encourage this.
- 11.2. Community engagement will form part of the evaluation criteria and it is expected that the masterplan will include an activities plan, encouraging volunteering and a range of community engagement events.
- 11.3. Procurement will follow the usual Council procurement processes via Capital E-Sourcing and suitable local consultancies will be identified and actively encouraged to apply.
- 11.4. Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.

## 12. COMMERCIAL IMPLICATIONS

- 12.1 **The appointment of the Design Consultant.** The estimated value of the Design Consultant appointment is over the statutory threshold for services, currently set at £181,302. Therefore, the process is subject to a full procurement exercise, regulated by the Public Contracts Regulations (PCR) 2015.
- 12.2 The proposed approach towards the procurement of the Design Consultant is a Restricted procedure. This approach is in line with the Regulations given the fact that the estimated value is over the OJEU threshold mentioned above.
- 12.3 This two-stage procedure must follow the PCR 2015. A Contract Notice shall be published in Tenders Electronics Daily (TED), along with an opportunity listing on the Council's e-tendering system and Contracts Finder.
- 12.4 Social Value will be considered as part of the awarding criteria (2<sup>nd</sup> stage of the process), in line with the Public Services (Social Value) Act 2012.
- 12.5 **Appointment of the cost consultant.** The estimated value of the cost consultant appointment is 78,000, below the statutory threshold for services currently set at £181,302.
- 12.6 According to the Contracts Standing Orders (CSOs), table 10.2a recommends the following approach for procuring contracts of this value: *Framework agreements to be considered, otherwise seek public quotations using the e-tendering system and the Government's "Contracts Finder" portal.*
- 12.7 The framework agreement identified as appropriate is the Project Management and Full Design Team Services (RM 3741) let by Crown Commercial Services.

- 12.8 A mini-competition will be conducted in accordance with the procedures set out in the Framework Agreement mentioned above, under the chosen lot, using the Council's e-tendering system, capitalEsourcing.
- 12.9 Implications verified/completed by: Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

### **13. IT IMPLICATIONS**

- 13.1. There are no IT implications contained within this proposal. The contents of the proposal do not refer to any personal data being held therefore there are no implications under the requirements of the Data Protection Act 2018 (GDPR).
- 13.2. Implications verified by Veronica Barella, Chief Information Officer, tel. 020 8753 2927.

### **14. RISK MANAGEMENT**

- 14.1 The main risks are that the Council does not; attain Best Value from the tendering exercise (mitigated by the business case and procurement strategy), and meeting the community needs and expectations for those areas included in the Park referenced in section 1.6 (mitigated by the report proposals), and the risks to the local environment (mitigated through the proposed conservation plan). In addressing these they contribute positively to the control of the following risks on the Council's Corporate Risk Register; Risk 3 Commercial Contract Management and Procurement, Risk 11 Decision making and maintaining reputation and service standards, Risk 9 Partnerships and major contracts. The report proposals also contribute to the following Council Priorities; Being ruthlessly financially efficient through procurement, Doing things with, not to residents, through Stakeholder Consultation and Taking pride in Hammersmith & Fulham through being the most environmentally positive borough in London because the health and wellbeing of our people is so important.
- 14.2 Implications verified by: Michael Sloniowski Risk Manager, tel. 020 8753 2587.

### **15. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

None

### **LIST OF APPENDICES:**

Appendix 1 – Business Case & Procurement Strategy

## **APPENDIX 1:**

### **REPORT RELATING TO:**

- 1. BUSINESS CASE;**
  - 2. PROCUREMENT STRATEGY; and**
  - 3. PROJECT MANAGEMENT AND GOVERNANCE**
- ### **FOR AEM PROPOSALS DESIGN PROCUREMENT**

## **BUSINESS CASE**

### **1. BUSINESS CASE – WHY THE PROCUREMENT IS NEEDED**

**The Requirement.** To approach the market to procure contracts for an established lead consultant and cost consultant to produce a CMP and design the AEM proposals for the Scrubs. These proposals are required to obtain the approval of HS2 as set out in the Agreement dated 20<sup>th</sup> October 2016.

The Scrubs is the largest open space in the borough well used by local residents for sport and recreation it also supports excellent breeding habitats for a range of species giving people access to biodiversity and natural habitat. The AEM proposals funded by HS2 will increase biodiversity opportunity. The adjacent Old Oak and Park Royal Regeneration area will significantly increase the local population increasing demand for use of public open space and pressurising the natural habitats and biodiversity. It is essential that the scrubs has an appropriate CMP and landscape infrastructure design in place to cope with this increased demand

Without a robust design and CMP, developed by listening to the community, to protect and enhance the value of the scrubs natural heritage we risk:

- Habitat fragmentation caused by increased traffic from adjacent developments
- Loss of habitat and decline in value of those that remain
- Misunderstanding of the value and sensitivity of habitats and continued; inappropriate use, overuse and anti-social behaviour
- A decline in the quality of open space through inappropriate use and behaviour
- Reduced impetus to invest and care for the scrubs
- Reduced value added to adjacent developments

The London Plan, the Local Plan and our Parks Strategy all support access to recreation and wildlife as key aims for Health and Wellbeing. The development of the AEM proposals within a robust CMP will protect the values of this important open space for future generations.

#### **Rationale for contracting out the service.**

The landscape and ecological consultancy market is well established and very specialised. The Council does not currently retain the management expertise required to design the AEM within the timescales required or to a level of detail to consult with the community, stakeholders and the planning authority.

### **Current contract performance.**

The current grounds maintenance (GM) contract is part of a borough wide service but a management plan written in 2003 was not adopted and there is no clear vision to protect and enhance biodiversity. Ecological enhancements implemented over the years have been managed by small scale, targeted volunteer works, standard GM procedures or left to develop through natural succession.

The implementation of the AEM proposals must have a long-term management plan in place to maximise biodiversity opportunities. The Current GM contract does not have the scope to implement a landscape/ecological improvement project of this scale or the biodiversity management techniques within it to sustain the improvements. A specification will be developed by the consultant which can be used to procure a suitable landscape contractor. The market for this type of landscape implementation and management is mature and well tested

## **2. FINANCIAL INFORMATION**

The overall budget within the agreement for the design and implementation of the AEM proposals is £3,885,657. Working budgets for the design/management and implementation of the AEM Proposals during the ten-year plan have been agreed with HS2 as follows:

- |   |            |
|---|------------|
| • Project Management (LBHF staff costs) | £ 781,129  |
| • Project Management (Consultants)      | £ 782,000  |
| • Biodiversity Surveys                  | £ 233,244  |
| • AEM works (including maintenance)     | £1,559,727 |

The HS2 funding is additional to the Wormwood Scrubs Charitable Trust budget. The Proposed Annual Budget for 2018/19 is £770,325. The major budget expenditure is grounds maintenance including Linford Christie Stadium. The major regular income is from the car parks. A net Resource of £19,354 is budgeted for 2018/2019 which will be added to unrestricted funds. Unrestricted funds can be used for non-routine maintenance or capital improvements to the Scrubs. Current unrestricted funds (2017/18 year-end) total £515,243.

The HS2 funding includes maintenance of the new works for up to ten years after which the AEM management plan will ensure the scrubs increased biodiversity opportunity will be managed within available resources. There is an overall project aspiration to identify additional investment through CiL, S106 or other funding and explore how income could be increased through events, licences and other activities. This additional funding would be required to progress any activities beyond the AEM works.

### **Pre-Tender estimate**

The pretender estimate for the consultancy advice including the 10-year management planning is based on the Landscape Institutes Fee guidance and some market research.



The pretender estimate for cost consultancy of £78,000 is based on some market research.

### 3. OPTIONS APPRAISAL AND RISK ASSESSMENT

<b>Table A – Options Appraisal</b>					
<b>Options</b>	<b>Title</b>	<b>Description</b>	<b>Benefits</b>	<b>Drawbacks</b>	<b>Recommended</b>
<b>Option 1</b>	<b>Do nothing</b>	The council could in theory take issue with the Agreement and choose not to design and implement the AEM proposals. The agreement would then be subject to dispute resolution.	No benefit since all reasonable costs are included within the agreement	There would be a loss of a significant opportunity to improve biodiversity at Wormwood scrubs. HS2 could use powers of compulsory acquisition and implement the works themselves potentially resulting in less community involvement and long-term management benefits and unknown political, community and legal backlash.	<b>x</b>
<b>Option 2</b>	<b>Manage the process in-house.</b>	The council could opt to bring the management of the design process in-house	Full internal control of the service operations.	The council does not currently retain the management expertise required so new staff would need to be employed with increased lead in time to advertise and employ staff on short term contracts or long-term cost to council. The budget set aside for consultants would have to be reallocated to LBHF staff by agreement with HS2. A new in-house team with no track record would be seen as less expert by the community, stakeholders and the planning authority.	<b>x</b>
<b>Option 3</b>	<b>Manage the process through GM operations</b>	The council could explore the management of the design process through the existing GM Contract.	Potential saving in tendering time if design and implementation with same contractor.	With the exception of tree management, the GM contract does not retain the management expertise required see all drawbacks above Option 2 Plus, amendments to the contract would need to be negotiated. Best value as required by the agreement would have to be shown if not demonstrated by tendering.	<b>x</b>
<b>Option 4</b>	<b>Procure a contract for design services</b>	Approach the market to tender for a contract for design services of lead consultant with option of using existing tree management services and separate cost consultant.	Necessary expertise available No need to recruit additional staff. Experience of project delivery and access to this knowledge. Reduce risk of delay by separating the project focus and the distraction of day to day management.	Community disengagement if consultant does not use genuine consultation techniques.	<b>✓</b>

#### 4. THE MARKET

The market for landscape consultancy is mature and well tested through council procurement. The London market is particularly well developed with the greatest concentration of practitioners in the country. Many landscape consultancy's also offer Ecological advice. Ecological consultancies are fewer and some offer landscape advice. There would also be practitioners in either discipline who could engage subconsultants to fulfil the requirements of the contract.

During April 2018 officers undertook a limited soft market testing exercise. Initial research identified several established consultants in the London area who offered ecological advice and had completed similar projects. Telephone enquiries with four consultants showed great interest in the possibility of tendering for the work and helped produce the pre- tender estimate.

Some of the key findings from the market testing exercise are as follows:

Contract Length –traditional contracts are based on work stages (RIBA stages 1-6 or LI stage A-L) Usually the defects liability period for landscape works would be 1-3 years post completion. The AEM proposals require a 10-year management plan with biodiversity surveys. A break clause should be explored in case the management of this phase could be through separate contracts managed in house.

Packaging – The general view was that a single contract with a lead consultant would be simpler and more efficient to manage although there would be a premium to add to the basic service price. If additional services such as engineering were required these could be as a subconsultant to the lead consultant. Generally, the plan to have the same consultant producing the vision design and management plan was met with enthusiasm as this would produce a consistency of approach.

Pricing – The overall total price for the contract will be broken down into prices for each stage of work RIBA stages 1-6 or LI stage A-L.



## **PROCUREMENT STRATEGY**

### **5. CONTRACT PACKAGE, LENGTH AND SPECIFICATION**

**Contract Package.** The intention is to procure a lead consultant to commence in January 2019.

The landscape/Ecological consultancy falls into a number of elements which could be covered by a suitable consultancy to the following RIBA work stages:

- Production of a CMP and initial Consultation (Stage 1)
- Stage 2 Review and develop design (Detailed Draft Proposal)
- Stage 3 Developed design (Inc. Panning application if required)
- Stage 4 Technical Design (Specification)
- Stage 5 Construction (Work on site Inc. Clerk of works role)
- Stage 6 Completion and hand over (Inc. 10-year management plan and surveys)

The standard memorandum of agreement of the Landscape Institute is the usual form of appointment of landscape architects. Cost consultants have similar agreements through their professional institutes.

**Contract length and Potential for subdividing contract into Lots.** The length of appointment should be until completion of the 10-year management plan. There should be break clauses in the contract:

- after completion of RIBA stage 3 (planning approval) in case the works are not approved by HS2 or the planning authority.
- After end of defects liability period to allow more flexibility in how the on-going ecological surveys and updates to the 10-year management plan could be managed and priced.

The main elements of the consultancy service should not be divided to receive a more consistent design approach.

- The production of a CMP could be separated and provided by a consultant who specialises in this type of document. However, there would be advantages in terms of consistency and communication for it to be the same consultant and for there to be a close working relationship between the production of this document and the design stage. Its recommended this is not a separate lot.
- Ongoing ecological surveys could be provided by a specialist consultant particularly as this service will be ongoing for up to ten years after the design work is completed. However, it would be used to feed back into an ongoing management plan so an understanding and close working relationship between the survey information and the plan is required. Its recommended this could be priced separately as options of working within lead consultants team up to practical completion and providing a separate service after practical completion.

- In house staff do not have the capacity to design and manage the Arboricultural works. Also, there are distinct advantages in a close working relationship between arboriculturalist and the lead consultant. Its recommended this is not a separate lot.
- Cost estimating is offered by some consultancy's but the advantage of keeping this as a separate lot would be that it offers a more independent view and challenge to designers. This would be a separate appointment but is not estimated to be in excess of £100,000.

### **Specification.**

For consultancy services the appointment will be required to work to:

- The appropriate code of conduct for their professional and the conditions of engagement.
- carry out works in accordance with the RIBA work stages or equivalent.

## **6. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFITS**

Community benefits would be realised through a genuine consultation and engagement strategy. This would be appraised through the consultant's approach to developing the CMP and the identification of using volunteer groups for e.g. in community action projects. A social value of 5% has been allocated to the evaluation criteria of the procurement process.

Throughout the life of the contract officers will continue to work on how best the local economic and community benefits can be achieved from the design of the service.

## **7. OTHER STRATEGIC POLICY OBJECTIVES**

These proposals will help the H&F Business Plan 2018/22 priority of 'taking pride in Hammersmith and Fulham'. It will support the plans aims to; make the borough the greenest in Britain, support endangered bat and beetle populations, plan the best places for trees, and dedicate space for long grass and wildflowers as the basis for educational opportunities for children and schools.

The new LBHF Health and Wellbeing Strategy has key aims to support good mental health for all, support children and families to be healthier, and reversing the rising numbers of acquired long term health conditions. Access to good and varied leisure activities is proven to support each of these aims, and access to nature will play a part in this.

Other important documents forming a hierarchy within which the Wormwood Scrubs management plan will sit include:

- The H&F Biodiversity Commission report
- London Plan Access to nature
- LBHF backing campaign to make London a 'National Park City'

- Local plan objectives (LPA is Old Oak and Park Royal Development Corporation (OPDC))
- LBHF Park Strategy

The management plan will also inform adjacent redevelopment including:

- Old Oak and Park Royal Development
- Development of Linford Christie stadium
- Development of Wormwood scrubs prison

## **8. STAKEHOLDER CONSULTATION**

Key stakeholders are The Wormwood Scrubs Charitable Trust, The Council and HS2. These key stakeholders will be consulted on this strategy.

Regular meetings will have been held with The OPDC the Friends of Wormwood Scrubs and this will continue through the design process.

The role of the consultant will include the identification of tenants, users and non-users whose views will all be solicited for inclusion in the CMP. This CMP document will be influential in the development of the designs and management for the Scrubs.

Internal Stakeholder engagement throughout the procurement process will continue with the procurement, legal, and finance departments represented on the project board.

## **9. PROCUREMENT PROCEDURE**

### **AEM CONSULTANT**

The procurement procedure for the AEM Consultant is proposed as a restricted procedure (two staged procedure) conducted via the Council's e-tendering system, capitalEsourcing.

During the first stage of the process, tenderers will submit their responses to the standard selection questionnaire (SSQ). Part 3 of this questionnaire will request details of up to three contracts that are relevant to our requirement.

Stage 2 will consist of inviting a minimum of five candidates who have met the selection criteria of Stage 1 (provided sufficient candidates express interest). These tenders will be evaluated by the SRT according to the contract award criteria in section 10.1 of the Appendix.

### **COST CONSULTANT**

A call off from the Crown Commercial Services Framework No RM 3741 is proposed for the procurement of a cost consultant. Candidates will be invited to tender from the appropriate Lot of Framework No RM3741. The Council will run a mini-competition amongst the framework contractors inviting all framework contractors to tender. The SRT will evaluate the tender returns in line with the framework tender weightings and enter into a call off contact with the selected Framework Contractor. The contract award criteria are set out at section 10.2 of the Appendix.

## 10. CONTRACT AWARD CRITERIA

### 10.1 Contract Award Criteria for AEM Consultant

#### Quality/Price ratio recommended

The Quality/Price ratio for the consultant appointment will be 60/40. The market is well established and prices are likely to be competitive. It is essential that a consultant of the appropriate quality and experience is appointed.

#### Level 1 Criteria

	Weighting (%)
Technical (Quality)	60%
Commercial (Price)	40%
<b>Total</b>	<b>100%</b>

#### Breakdown of Evaluation Criteria and Weightings

In relation to Commercial, the weightings will be allocated as follows with the Bidder's price evaluated in relation to the lowest priced submission.

Commercial	Weighting
Total Price	40%
<b>Total</b>	<b>40%</b>

In relation to Technical the weightings will be assessed through a series of relevant method statements as set out in draft below.

Technical	Question	Weighting
1	please outline your methodology for undertaking the production of the Conservation Management Plan in particular highlighting any challenges that you feel have to be overcome and how you have achieved using three previous projects as examples.	<b>25%</b>
2	please outline your methodology for undertaking the production of a concept masterplan and consultation in particular highlighting any community engagement tools you are using three previous projects as examples.	<b>20%</b>
3	Please outline how you would consider social value aspirations in particular highlighting any community engagement tools you feel should be employed within the initial consultation and built into the longer-term project management and management plan.	<b>10%</b>
4	please outline your methodology for undertaking the detail design of this project This should include an indicative project timetable for CMP, Masterplan, detail design and management plans.	<b>15%</b>

5	<p>please outline your methodology for undertaking the 10-year management plan for this site including your recommendations for biodiversity surveys and method of measurement for habitat value. using three previous projects as examples. This should include an indicative project timetable</p>	<b>15%</b>
6	<p>Explain how your team will be structured if you are successful, and what each individual's role will be. Please confirm what consultancy expertise for landscape architecture, ecology, arboriculture etc will be within your company structure and which will be subconsultants and who will actually be leading the project throughout. Please supply CV's of your intended team highlighting their roles.</p>	<b>15%</b>
	<b>Total</b>	<b>100%</b>

## 10.2 Contract Award Criteria for Cost Consultant in line with the published criteria for the CCS Framework RM 3741 Lot []

### Quality/Price ratio recommended

The Quality/Price ratio for the consultant appointment will be 50/50 in line with the CCS Framework RM 3741.

### Level 1 Criteria

	Weighting (%)
Technical (Quality)	50%
Commercial (Price)	50%
<b>Total</b>	<b>100%</b>

In relation to Commercial, the tenders will be evaluated at tier 1 level.

In relation to Technical the weightings will be assessed through a series of relevant method statements as set out in draft below.

Technical	Question	Weighting
1	please outline your methodology for cost management of the detail design of this project Including an estimation of man hours for each stage This should include an indicative project timetable.	<b>40%</b>
2	Explain how your team will be structured if you are successful, and what each individual's role will be. Please also indicate who will actually be leading the project throughout. Please supply CV's of your intended team highlighting their roles.	<b>30%</b>
3	This is a sensitive site. Please provide examples of a minimum of 3 previous projects where you have worked on a similar project which you feel demonstrate your suitability for this project. For each example provided please also clearly indicate the specific capacity in which you were involved	<b>20%</b>
4	Please outline how you would consider social value aspirations. In particular please highlight any community engagement tools you feel should be employed within the initial consultation and how opportunities to employ local people could be built into requirements for the contractor.	<b>10%</b>
	<b>Total</b>	<b>100%</b>

Where errors in the computation of a tender are found, the Bidder will be given details of such errors and afforded an opportunity of confirming or withdrawing its offer. If confirmed an endorsement will be added to the relevant schedule indicating that all rates or prices inserted therein by the tenderer are to be considered as

reduced or increased in the same proportion as the corrected total of priced items exceeds or falls short of such items. This endorsement will then be required to be signed by both parties to the Contract.

## **PROJECT MANAGEMENT AND GOVERNANCE**

### **11. PROJECT MANAGEMENT**

The project team and SRT is comprised of the following officers:

<b>Role</b>
SLT Lead
Parks Manager
LBHF Procurement Lead
Finance Lead
Legal Lead
Special Projects Advisor
Project Manager

Procurement risks will be identified, and tracked by the project team and escalated via the lead officers and SRO accordingly. Mitigation activities will be applied as directed.

Leisure Services will be undertaking evaluation of the returned tenders as advised by the borough's legal and procurement leads.

The cabinet member for the Environment will receive regular updates from the service through policy board meetings. The Wormwood Scrubs Charitable Trust Board meets quarterly and will receive a project update.

## 12. INDICATIVE TIMETABLE

Date	Action	Progress
May 2018	HS2 to approve consultants brief	Complete
19 June 2018	Report to Wormwood Scrubs Charitable Trust Board	Complete
11 July 2018	Submit Report to Strategic Leadership Team (SLT)	Complete
10 Sep 2018	Political Cabinet	In Progress
8 Oct 2018	Cabinet	
Oct 2018	OJEU advertisement issued to commence the procurement process and Standard Selection Questionnaire issued	
Nov 2018	Deadline for submission of expressions of interest in line with the Public Contracts Regulations 2015	
Nov 2018	Selection of qualified candidates to invite to tender	
Dec 2018	Deadline for submission of Tenders. Evaluation of Tenderers received	
Dec 2018	Cabinet Member approval of Consultant	
Dec 2018	Standstill period (10 clear days before award)	
Jan 2019	Award Contract and commence services	
Jan 2019	Commence procurement for Cost Consultant – issue through framework	
Feb 2019	Deadline for submission of tenders Evaluation of the tenders for the Cost consultant and award of call off	
Jan to June 2019	Prepare the detailed draft proposals for approval by the Council	
June 2019	HS2 to agree Detailed Draft Proposal	

## 13. CONTRACT MANAGEMENT

### **Monitoring and Reporting**

The appointed consultant shall monitor and report on its performance in the delivery of the services in accordance with brief.

In addition, the Council shall undertake its own performance monitoring of the Services. The consultant will use its reasonable endeavours to assist the Council in such an exercise and shall have due regard to the Council's comments in relation to the future provision of the services.

A monthly report will be produced by the consultant for the SRT and a quarterly report for the Project Board by the project manager.



<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>CABINET</b></p> <p align="center"><b>8 OCTOBER 2018</b></p>	
<p align="center"><b>BUSINESS CASE &amp; PROCUREMENT STRATEGY FOR BLUE BADGE INVESTIGATION AND ENFORCEMENT SERVICES</b></p>	
<p><b>Report of the Cabinet Member for the Environment: Councillor Wesley Harcourt</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification: For decision</b> <b>Key Decision: Yes</b></p>	
<p><b>Consultation:</b> Legal, Procurement, Finance, Economic Development, and Blue Badge teams.</p>	
<p><b>Wards Affected:</b> All</p>	
<p><b>Accountable Director:</b> Mahmood Siddiqi, Director for Highways &amp; Parks</p>	
<p><b>Report Author:</b> Osagie Ezekiel, Assistant Head of Parking Services</p>	<p><b>Contact Details:</b> Tel: 020 8753 3264 E-mail: <a href="mailto:Osa.ezekiel@lbhf.gov.uk">Osa.ezekiel@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report seeks permission to procure a contract for the provision of Blue Badge Investigation and Enforcement Services.

## 2. RECOMMENDATIONS

- 2.1. That in accordance with the Council's Contracts Standing Orders, the Cabinet approves the Business Case & Procurement Strategy for Blue Badge Investigation and Enforcement Services as set out in Appendix 1 attached.
- 2.2. That the Cabinet delegates authority to award the contract to the Director of Highways & Parks in consultation with the Cabinet Member for the Environment.

### **3. REASONS FOR RECOMMENDATIONS**

- 3.1. To comply with the requirements contained in Contract Standing Orders to seek Cabinet approval before a regulated procurement exercise is commenced.
- 3.2. The contract is required to help tackle the abuse of disabled parking badges (blue badges) to ensure suitable parking spaces are available for those that need them.
- 3.3. Residents will benefit from having more parking spaces available if there is a reduction in the number of people abusing disabled parking badges.
- 3.4. A reduction in the number of people abusing these badges should lead to increased revenue to councils through correct payment of pay and display, pay by phone and permit charges.
- 3.5. The above align with the Council's vision statement to create a compassionate Council and be ruthlessly financially efficient.

### **4. PROPOSAL AND ISSUES**

- 4.1. The council piloted a scheme to tackle the abuse of disabled badges (blue badges). The pilot started in May 2009 and proved to be successful in dealing with abuse of the badges.
- 4.2. A contract was directly awarded to the incumbent provider (Blue Badge Fraud Investigation Ltd) for the period 01/09/2013 to 31/08/2016.
- 4.3. There have since been two direct awards of a twelve-month contract and a four-month extension due to expire on 31/12/2018.

### **5. OPTIONS AND ANALYSIS OF OPTIONS**

- 5.1. A Service Review Team (SRT) has undertaken a service review in accordance with Contracts Standing Orders. Appendix 1 sets out the commercial and procurement options, together with an analysis of these options.
- 5.2. The recommendation is to carry out a fully transparent and compliant procurement exercise is proposed for the award of a long-term contract.
- 5.3. The recommended term of the contract will be for five (5) years with the option to extend for two separate periods of one (1) year each. The contract will also include a break clause that will be applicable after two (2) years.
- 5.4. The estimated annual value of this contract is £65,000 and the total value of this contract (being a five-year contract with two optional one-year extensions) is £455,000.

- 5.5. Based on average costs of £180 awarded for each prosecution, we would receive around £30K per year in costs awarded.
- 5.6. The current contractor has provided a very good service to the Council and in 2017, 168 badges were seized. Of these, 90% were being misused and 10% were fake, lost, stolen, or reported as belonging to a deceased person. 169 badges were also seized in 2016 and 159 seized in 2015.
- 5.7. In March 2018, the Council won a British Parking Association Partnership award for its partnership with the incumbent enforcement contractor and the Metropolitan Police in tackling misuse of blue badges in the Borough.
- 5.8. The Council does not currently have the specialist resources to provide the services. It would also not be cost effective to provide the services in-house.

## **6. CONSULTATION**

- 6.1. Details of consultation undertaken by the SRT are given in Appendix 1 (see Section 16).

## **7. EQUALITY IMPLICATIONS**

- 7.1 As required by Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public-Sector Equality Duty (PSED) and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Act, from the procurement of this contract.
- 7.2 Residents will benefit from having more parking spaces available if there is a reduction in the number of people abusing disabled parking badges. The service will also benefit people who are genuinely using Blue Badges as there should be more suitable parking spaces available for them.
- 7.3 The service provider can also take action against people discovered to be misusing disabled badges to park without the disabled badge holder being present. Such action could include prosecution in court. This might have a negative impact on disabled people but only if it is proven that they were party to any offence relating to the misuse of their badge. In such circumstances, a disabled person may lose the use of their badge for a certain period of time if it is suspended due to misuse.
- 7.4 Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

## **8. LEGAL IMPLICATIONS**

- 8.1. The estimated annual value of this contract is £65,000 (see paragraph 2.2 of appendix 1) and therefore for the purposes of the Public Contracts

Regulations 2015 the total value of this contract (being a five-year contract with two optional one-year extensions) is £455,000.

- 8.2. The main CPV code for this procurement will be “98351110-2 Parking enforcement services”, which is not one of the CPV codes within the light-touch regime. Thus, this procurement will be subject to the full Public Contracts Regulations 2015, being over the current threshold for services contracts of £181,302.
- 8.3. The council’s contract standing orders (CSOs) states (in table 10.2a) that, for a contract of this value, the approach must be “Use of an existing framework agreement; or Contract Notice to appear in the Official Journal of the European Union, an opportunity listing on the e-tendering system webpage and publication of a Contract Notice in “Contracts Finder”.” The proposed procurement strategy is to adopt the latter approach, i.e. a contract notice in the OJEU, and therefore the CSOs are being complied with.
- 8.4. This council has a fiduciary duty to its tax-payers (Council Tax and business rates) to, amongst other things, ensure value for money. If the council were not to pursue fraud then it could become more widespread, which would likely reduce overall revenue from parking fees. Enforcement proceedings against fraud can also generate revenue through fines. There is also the intangible but nonetheless important community benefit that comes from ensuring that fraud, of any variety, does not propagate. This must be weighed against the cost (both financial and of officer time) to facilitate this contract. These are all considerations for members when deciding if this contract is in keeping with the council’s fiduciary duty.
- 8.5. The council also has a duty under the Public Services (Social Value) Act 2012 to consider (a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and (b) how, in conducting the process of procurement, it might act with a view to securing that improvement. This duty will be met by scoring a “social value” question as part of the awarding criteria, which will be worth at least 5% of the quality assessment (see paragraph 6.2 of appendix 1). The winning tenderer will then be contractually obliged to deliver the social value proposed in its tender.
- 8.6. *Procurement and contract legal implications verified/completed by: (Hector Wakefield, solicitor at Sharpe Pritchard LLP; hwakefield@sharpepritchard.co.uk)*

## **9. FINANCIAL IMPLICATIONS**

- 9.1. The cost of the contract will be covered by current revenue budgets within the Parking service.
- 9.2. The actual annual cost incurred during financial year ended 31 March 2018 on provision of Blue Badge fraud investigation was approximately £70,000.
- 9.3. *Implications completed by: (Mai Kebbay, Head of Parking Finance*

020 8753 4262 & Andrew Lord, Head of Strategic Planning and Monitoring, Corporate Finance, tel. 020 8753 2531).

9.4. *Implications were verified by Emily Hill – Assistant Director (Corporate Finance), tel. 020 8753 3145.*

## **10. IMPLICATIONS FOR BUSINESS**

10.1. The procurement process will consider social and economic value within its award criteria and particularly commercial opportunities for local businesses and employment and skills opportunities for local residents.

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

## **11. COMMERCIAL & PROCUREMENT IMPLICATIONS**

11.1. The estimated value of the contract is over the statutory threshold for services, currently set at £181,302. Therefore, the procurement is subject to the full Public Contracts Regulations (PCR) 2015.

11.2. A Contract Notice must be published in Tenders Electronics Daily (TED) and in Contracts Finder.

11.3. Social Value shall be considered as part of the awarding criteria.

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

## **12. IT IMPLICATIONS**

12.1. The proposal relates to the investigation of fraudulent use of Blue Badges which by its nature will include analysis of personal data. The procurement needs to reference the requirements of the new Data Protection Act 2018 (GDPR). The relevant council clauses are available on the capitalSourcing system.

12.2. It is assumed that the successful third-party supplier will process the data through an IT system, and data handling should comply with the council's requirements as the council is still the responsible data controller.

12.3. The service must complete an Information Sharing Agreement and Privacy Impact Assessment to identify how the data will be shared, and this will be reviewed by the Information Management Team.

12.4. The third-party supplier's IT system should be capable of integrating with the council's Business Intelligence platform through open Application Programming Interfaces (APIs).

12.5. Implications completed by: Veronica Barella, Chief Information Officer, tel. 020 8753 2927.

## 13. RISK MANAGEMENT

- 13.1 The Blue Badge scheme is a national initiative to help disabled people to park close to their destination, either as a passenger or driver. It is a criminal offence to misuse the badge, and doing so can lead to a fine, therefore a risk to the individual. If the badge holder is using the parking concessions as a passenger (as opposed to driving the car themselves), it is their responsibility to make sure that the driver is aware of the rules governing the scheme.
- 13.2 The badge is for the sole use of the person named on it. It must only be displayed if the badge holder is travelling in the vehicle as a driver or passenger, or if someone is collecting them or dropping them off. The badge may not be used by other people to do something on the badge holder's behalf, such as shopping or collecting something for them, unless the badge holder is travelling with them.
- 13.3 Fraudulent Blue Badge parking can be categorised into two groups.
- Abuse of badges. This includes using a counterfeit badge, using a lost or stolen badge and using the badge of a deceased person.
  - Misuse of genuine badges. This means using the badge when the holder is not present. Some people who fall into this category think (wrongly) that what they are doing is not fraudulent. A few will have failed to understand the restrictions on use, but most will chance their luck on the basis that it can be hard to prove. Either way, this is still a criminal offence; it can lead to prosecution and a criminal conviction.
- 13.4 The opportunity risk benefits of undertaking enforcement action against fraudulent use of Blue Badges are varied and far-reaching. They include:
- More space for genuine badge holders meeting the needs and expectations of disabled users.
  - Better management of the kerbside. As people are discouraged from using prime locations as long-stay parking, this means a greater turnover of visitors to high streets contributing to our local economy.
  - Improved traffic management and better air quality, reduction in environmental risk. For many, fraudulent use of the Blue Badge makes driving and parking a car affordable. By taking this advantage away, they are forced to switch to public transport or alternatively use the local Blue city electric car club and reducing the number of vehicles on the road.
  - Increased revenue to councils through correct payment of pay and display, pay by phone and permit charges.
- 13.1 Regular contract meetings will be held with the contractor to discuss and monitor their performance.
- 13.2 *Implications verified by: Michael Sloniowski Risk Manager, tel. 020 8753 2587.*

**14. OTHER IMPLICATION PARAGRAPHS**

14.1. None.

**15. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

None.

**LIST OF APPENDICES**

Appendix 1 – Business Case & Procurement Strategy  
Appendix 2 - Pricing Schedule

**APPENDIX 1:**  
**REPORT RELATING TO PROCUREMENT STRATEGY FOR THE**  
**CONTRACT FOR BLUE BADGE INVESTIGATION AND**  
**ENFORCEMENT**

**BUSINESS CASE**

**1. BUSINESS CASE – WHY THE PROCUREMENT IS NEEDED**

- 1.1. The services being procured are for blue badge investigation and enforcement and will help tackle the abuse of disabled badges (blue badges).
- 1.2. Members are aware having such services benefits residents as blue badge abuse contributes to a reduction in available on-street parking spaces.
- 1.3. It is not considered to be appropriate to stop providing the services, considering the high level of disabled badge abuse encountered and the corresponding numbers of complaints received.
- 1.4. The services benefit disabled residents because they discourage the misuse of badges in disabled bays by unauthorised people which prevent disabled badge holders from parking where they need to.
- 1.5. By clamping down on abuse, some of those likely to try and abuse the scheme are also likely to park legally using pay and display facilities. Whilst this will undoubtedly lead to increased income for the Council, it can't be quantified.
- 1.6. Based on average costs of £180 awarded for each prosecution, we would receive around £30K per year in costs awarded.
- 1.7. Ending the service is likely to result in negative publicity for the Council as we would be unable to respond the many complaints we receive from residents about blue badge abuse.
- 1.8. The current contract for the services runs from 01/09/17 to 31/08/18.
- 1.9. The current contractor has provided a very good service to the Council and in 2017, 168 badges were seized. Of these, 90% were being misused and 10% were fake, lost, stolen, or reported as belonging to a deceased person. 169 badges were also seized in 2016 and 159 seized in 2015.
- 1.10. In March 2018, the Council won a British Parking Association Partnership award for its partnership with the incumbent enforcement contractor and the Metropolitan Police in tackling misuse of blue badges in the Borough.
- 1.11. The Council does not currently have the specialist resources to provide the services. It would also not be cost effective to provide the services in-house.



## **2. FINANCIAL INFORMATION**

- 2.1. The contract cost will be covered by current revenue budgets within the Parking service.
- 2.2. The estimated annual cost of the contract is £65,000.

## **3. OPTIONS APPRAISAL AND RISK ASSESSMENT**

- 3.1. Although this is a very specialised market, officers recognise the need for the service to be tested even if it is likely that it will result in only a few bids.

### OPTION 1: Do Nothing

This option is not considered to be appropriate, considering the high level of disabled badge abuse encountered and the corresponding numbers of complaints received.

### OPTION 2: Direct Award

This option would not be compliant with the Contracts Standing Orders (CSO) and the Public Contracts Regulations (PCR) 2015.

### OPTION 3: Tender for a new contract (preferred option)

A fully transparent and compliant procurement exercise is proposed for the award of a long-term contract (5+1+1) to ensure best value for money for this specialist service.

## **4. THE MARKET**

- 4.1. This is a very specialised market with very few players in the market. There is therefore, no local supply market for the services.
- 4.2. We are not aware of recent any similar tendering exercises carried out by any Councils. Some Councils carry out the services to various degrees in-house. The current contractor also provides the services to 11 other Councils, 7 in London.

## **PROCUREMENT STRATEGY**

### **5. CONTRACT PACKAGE, LENGTH AND SPECIFICATION**

- 5.1. This is a relatively small contract worth about £65,000 pa.
- 5.2. The term of the contract will be for five (5) years with the option to extend for

two separate periods of one (1) year each. The contract will also include a break clause that will be applicable after two (2) years.

- 5.3. The Contractor will carry out investigative work on behalf of the Council in relation to the misuse of disabled persons' blue badges on the Borough's streets and controlled off street car parks.
- 5.4. The Contractor will also provide a comprehensive enforcement service from initial observations and gathering of evidence through to the provision of prosecution reports and evidence for the Council's Legal Services to process.
- 5.5. The Contractor shall meet the following key performance indicators ("KPIs"):
  - 5.5.1. 1-month turnaround on complaints and reports about the abuse or misuse of blue badges. These reports and complaints must be investigated and dealt with and a report provided within a month from the date reported to the Contractor.
  - 5.5.2. Submission to the Council and preparation of cases for prosecution must be completed within two months from the date of seizure of the disabled badge.
  - 5.5.3. Not more than 1% of cases put forward for prosecution should be turned down by the Council for unsatisfactory evidence
- 5.6. If the Contractor fails to meet any of the KPIs twice in any four-month period, the Council will be entitled to deduct 10% of the Contractor's next monthly invoice.

## **6. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFITS**

- 6.1. This is a very specialised market with very few players in the market and requires people with enforcement background and experience.
- 6.2. Social Value will be part of the awarding criteria. The criteria will be worth at least 5% of the quality assessment (50%).

## **7. OTHER STRATEGIC POLICY OBJECTIVES**

N/A

## **8. STAKEHOLDER CONSULTATION**

- 8.1. The key stakeholders and residents and Councillors of the Council.
- 8.2. Colleagues from the Procurement, Legal, and Economic teams have been consulted and have provided advice. Their comments are included in this report. The Cabinet member has also been consulted in advance.

## 9. PROCUREMENT PROCEDURE

- 9.1. The open procurement procedure will be used. As this is a specialised market with few players, there is little risk of being inundated with tenders.

## 10. CONTRACT AWARD CRITERIA

- 10.1. Tenders will be evaluated on a 50% weighting for Quality, and a 50% weighting for the Price.

- 10.2. This seems to strike the right balance between quality and price.

### AWARD CRITERIA

#### 1. **SCORING**

- 1.1. Tenders will be evaluated on a 50% weighting for Quality, and a 50% weighting for the Price.

#### 2. **PRICE**

See Appendix 2 below also.

- 2.1. The **50%** on **Price** will be calculated based on the rates submitted by the Tenderer in the Form of Tender and Pricing Schedule.

- 2.2. The Price score will be calculated in 5 sections:

2.2.1. Price Section 1: Average of 3, 4, 5-day rates over 5 years. (Table A of the Pricing Schedule);

2.2.2. Price Section 3: daily rate for additional ad hoc days x 104 days (set out in Table B of the Pricing Schedule);

2.2.3. Price Section 4: aggregate daily rates for (i) training and (ii) representation at court x 24 days each (set out in Table C of the Pricing Schedule); and

2.2.4. Price Section 5: daily rate for optional additional services x 24 days (set out in Table D of the Pricing Schedule).

2.2.5. Please note that this is an evaluation model only and not indicative of actual volumes. The Council is under no obligation to purchase any additional services.

- 2.3. The score for each of Price Section will be calculated by the total of 2.2 above.

<b>Table 3: Price scoring system</b>
Where: Tender A's rate (or aggregate rate) is £110 Tender B's rate (or aggregate rate) is £135 Tender C's rate (or aggregate rate) is £150
Applying the formula: Tender A's score: $110 \div 110 \times 100 = \mathbf{100.0}$ Tender B's score: $110 \div 135 \times 100 = \mathbf{81.5}$ Tender C's score: $110 \div 150 \times 100 = \mathbf{73.3}$

- 2.3.1. Please note that the figures are given by way of example only and are not intended to indicate the range of figures expected from Tenderers.

### **3. Quality**

- 3.1. The **50%** on **Quality** will be evaluated based on the Tenderer's response to the Tenderer's Proposals.
- 3.2. Each of questions in the Tenderer's Proposals will be scored out of 5 on the basis set out in Table 2 below. Each score for a response to an award criterion will be multiplied by the relevant sub-weighting to arrive at a weighted score. Weighted scores will be added together to produce a total score out of 100. The overall quality weighting of 50% will then be applied.

Table 2

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

- 3.3. Tenderers which score less than 3 for any of the questions may have their tender rejected, irrespective of their price score.
- 3.4. Tenderers may be requested to give written clarification of certain issues relating to their tender. The Tenderer's clarification response may give rise to

a moderation of the Tenderer's score such modification shall be undertaken in accordance with this award criterion.

## **PROJECT MANAGEMENT AND GOVERNANCE**

### **11. PROJECT MANAGEMENT**

- 11.1 Members of the service review team are Osa Ezekiel (Assistant Head of Parking Services) and Simon Jester (Accessible Transport manager).
- 11.2. Osa Ezekiel and Simon Jester will do the evaluation of returned tenders with assistance and advice from the Legal, Procurement and Finance teams as required.

### **12. INDICATIVE TIMETABLE**

- 12.1. The contract advertisement is scheduled to be placed in October 2018 and will be appear in the OJEU, Contract Finder and Capital Esourcing
- 12.2. A recommendation on the contract award is expected to be submitted to the Cabinet Member in December 2018 for the contract to commence in January 2019.

### **13. CONTRACT MANAGEMENT**

- 13.1. The Assistant Head of Parking Services will manage the contract.
- 13.2. The relevant KPIs are included in 5.5 above.

### **14. COMMERCIAL & PROCUREMENT IMPLICATIONS**

- 14.1 Members are aware of the benefits to local residents of this contract as blue badge abuse contributes to the lack of space for on-street parking.
- 14.2.1 Another option is to stop enforcement. This is not considered to be appropriate considering the high level of disabled badge abuse encountered and the corresponding numbers of complaints received.
- 14.3 It is therefore believed to be necessary to go to tender.

### **15 CONSULTATION**

- 15.1 Colleagues from the Procurement, Legal, Equalities and Economic Development teams have been consulted and have provided advice. Their comments are included in this report. The Cabinet member has also been consulted in advance.

-----

## **APPENDIX 2**

### **PRICING SCHEDULE**

I/we offer the following tender:

Quotations are required for **daily rates** on the following basis:

#### **ENFORCEMENT RATES INCLUDING PREPARING CASES FOR PROSECUTIONS**

Table A

Period	Daily rate (£)	Daily rate (£)	Daily rate (£)
	3 days/week	4 days/week	5 days/week
5 Years	£	£	£

#### **ENFORCEMENT RATES FOR ADDITIONAL DAYS REQUESTED ON AN AD HOC BASIS**

**Note: This could include investigations and enforcement on Housing land**

Table B

	daily rate
Additional ad hoc days	

#### **OTHER AREAS**

Table C


	daily rate
Training	
Representation of Councils at court as a witness	

#### **OPTIONAL ADDITIONAL SERVICES**

Table D

	daily rate
Issuing of summonses and carrying out prosecutions.	

# Agenda Item 11

<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>8 OCTOBER 2018</b></p>	
<p><b>CONTRACT AWARD FOR RAPID ELECTRIC VEHICLE CHARGING CONTRACT – SCRUBS LANE CAR PARK</b></p>	
<p><b>Report of the Cabinet Member for the Environment – Councillor Wesley Harcourt</b></p>	
<p><b>Open report</b> A separate report on the exempt part of the Cabinet agenda provides details of the evaluation process of the mini-competition conducted under a framework agreement.</p>	
<p><b>Classification - For Decision</b> <b>Key Decision: Yes</b></p>	
<p><b>Consultation</b></p>	
<p><b>Wards Affected:</b> College Park and Old Oak</p>	
<p><b>Accountable Director:</b> Mahmood Siddiqi – Director for Highways &amp; Parks</p>	
<p><b>Report Author:</b> Richard Hearle - Parking Policy and Projects Manager</p>	<p><b>Contact Details:</b> Tel: 020 8753 4651 E-mail: richard.hearle@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. The introduction of rapid electric vehicle charge points in LBHF complements other electric vehicle initiatives and forms an important part of LBHF electric vehicle charging network supporting other air quality projects and contributing to our target to become the greenest borough.
- 1.2. A-competition for the Call-Off Contract for electric vehicle rapid charge points in Scrubs Lane car park under TfL's Rapid Charge Point Concessions Framework resulted in the winning concessionaire being identified as Facility Management UK Ltd. The procurement framework and tender process was completed by Transport for London (TfL).
- 1.3. This is a revenue generating only Call-Off Contract and LBHF will not incur any expenditure from this award.

## 2. RECOMMENDATIONS



2.1. That Cabinet:

- (a) approves the award of the contract described in paragraph 2.2 below for a period of eight (8) years commencing on 1 April 2018 with the option for the Council to extend for a further two (2) years, for the supply, installation, operation and maintenance of rapid charge point infrastructure in Scrubs Lane car park; land owned by the London Borough of Hammersmith & Fulham; and
- (b) grants a waiver of the requirement to have undertaken a Procurement Case & Business Strategy for the award of this contract (as required under CSOs 8.11 and 8.12) due to the nature of the services to be provided. Procurement was undertaken by TfL on behalf of LBHF, details of which are provided in Appendix 2 (contained in the exempt part of the report).

2.2. To note that the ward is through the Call-Off Contract under the Rapid Charge Point Concessions Framework let by Transport for London, reference tfl\_scp\_001290 (the "**Framework**"). The successful Concessionaire is Facility Management UK Ltd., a wholly owned subsidiary of Electricity Supply Board (ESB). This is a revenue generating call-off contract only, LBHF will not incur any expenditure as a result of the award.

### 3. REASONS FOR DECISION

- 3.1. CSO are made pursuant to section 135 of the Local Government Act 1972 and came in to effect on 1 July 2016. This states that a Cabinet Key Decision (KD) is required for this concession contract as the potential total value is £100,000 or greater. Contract value is stated as being the total value of the contract for all parties and not just that of LBHF. The total value of the contract to all parties - FMUK (the Concessionaire) and LBHF - will exceed £100,000.
- 3.2. TfL prepared the Framework for rapid charge points, and open tendered and appointed five successful Concessionaires to the contract. In accordance with procurement legislation TfL then completed a mini-competition and evaluation exercise for the provision of services in Scrubs Lane car park. The successful Concessionaire was Facility Management UK Ltd, registered company number 04048782 ("**FMUK**").
- 3.3. Procurement legislation has been followed but falls outside Public Contracts Regulations 2015 and Concession Regulations 2016 but conducted following Treaty Principles.

### 4. PROPOSAL AND ISSUES

- 4.1. The Mayor of London has introduced measures to tackle air pollution in London including new vehicle licensing requirements to reduce emissions from the taxi and private hire fleets (PHVs) and to increase the number of vehicles capable of operating with zero emissions. From 1 January 2018 all new taxi licenses in London must meet zero emission capable (ZEC) requirements and from 2020 this will include all new PHVs.

- 4.2. There is a clear need for charging infrastructure in London as a lack of convenient sites is one of the key barriers to the growth of electric vehicles, both for commercial vehicles and private cars. Rapid charge points provide a quick and convenient charging solution and so form an important part of the charge point network.
- 4.3. In 2017 TfL developed a Rapid Charge Point Concession Framework to be used by TfL and London Boroughs, supporting the delivery of rapid electric vehicle chargepoints across London. Liaising with LBHF TfL undertook a mini-competition for the provision of rapid charge points in Scrubs Lane car park.

**5. OPTIONS AND ANALYSIS OF OPTIONS**

- 5.1. All five (5) Concessionaires on the Framework were invited to submit a proposal against Request Form No. 013 for the Scrubs Lane site on 29 September 2017 via the ProContract e-tendering system.
- 5.2. Compliant proposals were received from two (2) bidders, Chargemaster and Facility Management UK Ltd, by the tender return deadline of 16 October 2017.
- 5.3. The Bidders that declined to tender are shown in Table 1.

**Table 1 – Bidders Declining to Tender and Reasons**

Concessionaire	Reason
BluepointLondon	Not verified but likely to be resourcing issues and/or their prioritisation to tender for private sites.
British Gas	Governance (approvals) issue with tendering in required accelerated timeframe, British Gas have requested their framework is novated to Charge Point Services to address this and improve their financing ability. Due diligence on the suitability of this is currently underway.
Fastned	Tendered sites do not align with their core business (i.e. not multiple charge point/hub sites).

**Commercial Evaluation**

- 5.4. Both Chargemaster and RMUK explicitly accepted the terms and conditions of the Call-Off Contract and the mini-competition process was subject to the provisions describing the Call-Off Procedure in Clause 3 of the Framework Agreement as drafted in their proposals, inclusive of the Site Agreement, and were therefore both eligible to have the remainder of their proposals evaluated.
- 5.5. Proposals submitted by Concessionaires on the framework were assessed against defined criteria as part of the mini-competition process.
- 5.6. Table 2 details the comparison between the tenders.

**Table 2 – Overall Tender Evaluation Summary**

BIDDER	FINANCIAL EVALUATION		QUALITY EVALUATION			TOTAL SCORE
	Site Charge (out of 25%)	PAYG Average Price (out of 25%)	Turnover Percentage (out of 15%)	Technical Requirements		
				Charge Point Specification (out of 17.5%)	Design Drawings (out of 17.5%)	
<b>FMUK</b>	25.00	13.16	15.00	17.50	17.50	<b>88.16</b>
<b>Chargemaster</b>	6.94	25.00	15.00	17.50	17.50	<b>81.94</b>

Financial Evaluation

- 5.7. Refer to Part B, for detailed financial information.
- 5.8. Referring to all the tender assessment criteria, FMUK provided the most economically advantageous proposal and therefore, LBHF awarded the Call-Off Contract to FMUK.

**6. CONSULTATION**

- 6.1. The Concessionaire Call-Off Contract was reviewed by the Council’s Legal Services. The lease agreement to enable use of the car park has also been reviewed by LBHF Legal and Asset Strategy & Portfolio Management.
- 6.2. Following the evaluation of the mini-competition under the Rapid Charge Point Concession Framework, it was recommended to the Wormwood Scrubs Charitable Trust (WSCT) to consider and approve the recommendation to proceed with awarding the Call-Off Contract to FMUK for the supply, installation, operation and maintenance of three electric vehicle rapid charge points in the Scrubs Lane car park.
- 6.3. In agreeing to the contract terms WSCT understood this is a revenue generating Call-Off Contract with no budget risks to the Trust or LBHF. Contractual assurances are included in the contract to reimburse lost P&D income. The contract term awarded is for eight years with an option for a two-year extension exercisable at the Council’s and Trust’s sole discretion.

**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 awarding of this contract.
- 7.2. Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

## 8. LEGAL IMPLICATIONS

- 8.1. This report seeks approval of the award of an eight-year concession contract, with a potential two-year extension, to FMUK. Regulation 9 of the Concession Contracts Regulation states that the value of a concession contract is the total turnover of the concessionaire (in this case FMUK) generated of the duration of the contract, net of VAT, as estimated by the contracting authority (LBHF), in consideration for the works/services that are the object of the contract. Legal Services has been informed by the report author that this value shall exceed £100,000 but shall be below the relevant EU threshold for the full scope of the Concessions Contracts Regulations 2016 to apply. That the contract is being called off from the Framework should in any case ensure compliance with these Regulations if the Framework was procured in accordance with them.
- 8.2. Contract Standing Order (“**CSO**”) 8.4 requires that, where a non-CCS framework agreement is used, the relevant Commercial Director be provided with evidence that full, open, and proper competitive process has been undertaken and that such process complies with all statutory requirements. Sharpe Pritchard understands that such evidence has been provided by the report author.
- 8.3. CSO 8.4 also requires that Legal Services be consulted on the terms and conditions of the proposed contract to ensure they do not compromise LBHF’s interests. The report author has confirmed that advice on the suitability of the terms of the call-off contract was sought from the former Tri-Borough Legal Services prior to its disaggregation. This was confirmed by the relevant solicitor in an email to Sharpe Pritchard dated 16 April 2018, which also stated that proposed amendments to the call-off contract were advised. As such, Sharpe Pritchard has not advised on these terms. LBHF should ensure that these proposed amendments are incorporated into the version of the call-off contract that is executed.
- 8.4. CSO 8.4 also requires any further competition requirements of the Framework to be complied with when calling off from it. The framework enables awarding authorities (including LBHF) to hold mini-competitions. The call-off procedure to be followed is set out at clause 3 of the Framework. TfL were appointed to run the procurement on behalf of LBHF. Based solely on the information set out in this report, it appears the call-off procedure has been followed.
- 8.5. Although the duration of the Framework is only 3 years, clause 4.3 states that the length of contracts called off from it may be as long as the awarding authority considers appropriate having regard to the time that the concessionaire could reasonably be expected to recoup the investments required to provide the concession services, together with a return on invested capital taking into account those investments (which, depending on the circumstances, may be up to 15 years). As such, the proposed term of 8 years with a possible 2-year extension is compliant.
- 8.6. The requirements of CSO 8.12 to submit a Procurement Strategy and Business Case for approval by the Cabinet prior to the procurement run by TfL were not complied with. A waiver of this requirements is therefore sought

in the recommendations of this report under CSO 3.1 from the relevant Cabinet Member and the Leader of the Council.

- 8.7. A contemporaneous report detailing the decisions taken during the procurement process must be retained in accordance with CSO 18.1.
- 8.8. The approval of this contract is reserved for Cabinet under CSO 17.3.2. Due to the value of this contract, the call-off contract must be executed as a deed. Advice from Sharpe Pritchard should be sought regarding contract engrossment and execution once approval has been given to award this contract. As stated above, the engrossed contract should include the amended provisions advised by the former Tri-Borough Shared Legal Services.
- 8.9. The awarded contract must be published in the Council's Contracts Register in accordance with the Transparency Regulations in accordance with CSO 18.6.
- 8.10. Legal implications completed by Raj Shah (Associate at Sharpe Pritchard) on 14 June 2018 – rshah@sharpepritchard.co.uk.

## **9. FINANCIAL IMPLICATIONS**

- 9.1. The Scrubs Lane Car Park is managed by the Wormwood Scrubs Charitable Trust. All additional income raised will go to the trust and not to LBHF.
- 9.2. Analysis of parking income at Scrubs Lane shows that on average each space earns just under £500 per annum which was the amount set as the minimum guaranteed income per space required from the Electric Vehicle Charging point bidders. The recommended bidder has offered £3,000 per space per annum, well in excess of the minimum amount. An income budget of £9,000 has been set so there are no additional financial implications.
- 9.3. *Implications completed by: Giles Batchelor, Finance Manager, tel. 0208 753 2407.*
- 9.4. The recommended bidder has also committed to paying 5% of the turnover generated from the rapid charge points which will be paid on an annual basis.
- 9.5. *Implications verified by: Emily Hill, Assistant Director, Corporate Finance, tel. 020 8753 3145.*

## **10. IMPLICATIONS FOR BUSINESS**

- 10.1. There are no direct implications for local businesses. However, the proposal contributes to efforts for better air quality which is important for local communities.
- 10.2. Implications completed by: Albena Karameros, Economic Development Team, tel. 07739 316 957.

## **11. COMMERCIAL IMPLICATIONS**

- 11.1. This report recommends approval to award the Call-Off Contract under the Rapid Charge Point Concessions Framework to the concessionaire, Facility

Management UK Ltd. This award does not imply any expenditure to the Council.

- 11.2. The framework, let by TfL, has been procured in line with PCR 2015. TfL ran the mini competition on behalf of the Council.
- 11.3. It is noted that the procurement strategy has not been signed off by Cabinet, as recommended in CSO 8.11, prior to the commencement of the procurement.
- 11.4. A contract entry shall be created in the Council's Contracts Register.
- 11.5. Implications *verified/completed by: Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.*

## **12. IT IMPLICATIONS**

- 12.1. There are no IT implications contained within this proposal.
- 12.2. Implications completed by: Veronica Barella, Chief Information Officer, tel. 020 8753 2927.

## **13. RISK MANAGEMENT**

- 13.1 The report proposals contribute to improving the local environment risk through improving air quality projects and contributing to our Council Priority, to Take pride in Hammersmith & Fulham by working hard to be the most environmentally positive borough in London and ensuring our public needs and expectations risk is well managed by delivering a place that is safe, clean and green. The wider benefits to risk management include those to Public Health by moving away from traditional fossil fuels.
- 13.2 Implications verified by: Michael Sloniowski Risk Manager, tel 020 8753 2587, mobile 07768 252703.

## **BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

NONE

## **LIST OF APPENDICES:**

**Appendix 1** – TfL Governance Process and Procurement Strategy

**Appendix 2 (contained in the exempt part of the report)** - Contract award letter for tfl\_scp\_1290; Rapid Charge Point Concession Framework Call-Off No. 013

**Governance Process and Procurement Strategy  
FOR  
MINI-COMPETITION AND CALL-OFF CONTRACT AWARD  
UNDER THE RAPID CHARGE POINT CONCESSIONS  
FRAMEWORK**

Template Version 1.13  
March 2017

<b>SUBMITTED BY:</b>	Emma Milam (Commercial Manager)
<b>Value:</b>	Revenue Generating Only
<b>Date:</b>	07 August 2017
<b>Status:</b>	Final
<b>Version:</b>	1.0

**TRANSPORT FOR LONDON RECORD SHEET – APPROVAL AND CONSULTATION**

<b>Ref No:</b> tfl_scp_001290					
<b>Transport for London Record Sheet</b>					
To approve the Governance Process and Procurement Strategy for how Mini-Competitions and Call-Off Contract Awards under the Rapid Charge Point Concessions Framework will be conducted.					
<b>Cross Business Review with Stakeholders</b>					
<b>Name / Position</b>	David Metcalfe				
<b>Directorate</b>	PPD				
<b>Decision</b>	Agree				
<b>Are there any interests to declare?</b> If 'Yes' then a Declaration of Interest must be completed.	No				
<b>Approval</b>					
By signing below approvers confirm that they have no business interests in any organisation that may be interested in delivering the required contract.					
<b>Name</b>	<b>Signature</b>			<b>Date</b>	
Emma Milam Commercial Manager Author					
Terry Davis Senior Commercial Manager					
David Wylie Chief Procurement Officer					



## Table of Contents

Transport for London Record Sheet – Approval and Consultation.....	9
Procurement Strategy Paper .....	11
<u>1 Introduction.....</u>	<u>11</u>
<u>2 Summary of Procurement Strategy .....</u>	<u>11</u>
<u>3 Background .....</u>	<u>12</u>
<u>4 Business Context .....</u>	<u>6</u>
<u>5 Revenue.....</u>	<u>6</u>
<u>6 Route to Market.....</u>	<u>7</u>
<u>7 Systems.....</u>	<u>7</u>
<u>8 The Mini-Competition Process .....</u>	<u>7</u>
<u>9 Evaluation.....</u>	<u>7</u>
<u>10 Scoring Scale .....</u>	<u>9</u>
<u>11 Terms and Conditions .....</u>	<u>10</u>
<u>12 Governance Arrangements .....</u>	<u>17</u>
<u>13 Transparency.....</u>	<u>17</u>

The following appendices to this TFL document are not include in this report:

Appendix A – Mini-Competition Step by Step Process

Appendix B – Template Mini-Competition Request Form/draft Call-Off Contract

Appendix C – Checklist for Awarding Authorities

Appendix D – Template Contract Award Recommendation

Appendix E - Commercial Risk Register

# GOVERNANCE PROCESS AND PROCUREMENT STRATEGY PAPER

## 1. Introduction

On 25 April 2017, TfL appointed five (5) Concessionaire's to a Rapid Charge Point Concessions Framework "the Framework". This paper requests that document approvers:

- 1.1 Authorise the process contained herein for conducting and evaluating mini-competitions under the Framework; and
- 1.2 Agree the governance process for awarding Call-Off Contracts to deliver 75 charge points.

## 2. Summary of Procurement Strategy

<b>Budget Owner:</b>	Nick Fairholme	<b>Business Area:</b>	PPD
----------------------	----------------	-----------------------	-----

A list of key stakeholders and those associated with the procurement can be found in Appendix One.

<b>Estimated value including any options:</b>	Revenue generating only (see section 5 for further details)	<b>What type of contract will this be?</b>	Call-Off Contract
<b>Number of Lots:</b>	N/A	<b>Terms and Conditions to be used:</b>	Bespoke Framework
<b><sup>1</sup>Are justifications included in this document where the choice is to use single lot?</b>	N/A	<b><sup>2</sup>Where variant bids will be accepted has the minimum requirement for accepting them been defined?</b>	N/A
<b>Number of Suppliers to contract with?</b>	Five (5) potential Concessionaire's	<b>What is the nature of the Procurement?</b>	Concession Services
<b>UK Legislation that applies (irrespective of value):</b>	Outside of Public Contracts Regulations 2015 and Concession Regulations 2016 but to be conducted following Treaty	<b>Procedure to be used:</b>	N/A

<sup>1</sup> This requirement must be fulfilled for contracts governed by Public Contracts Regulations 2015.

<sup>2</sup> This requirement must be fulfilled for contracts governed by Public Contracts Regulations 2015 and Utilities Contracts Regulations 2016.

	Principles (Non Obligatory)		
<b>Duration of the contract:</b>	Each Call-Off Contract and associated Site Agreement may last up to ten (10) years		
<b>What Category/Categories does this cover?</b> <a href="#">[category hierarchy]</a>	None	<b>Is a Category Plan in place? If yes, which one(s)?</b>	No
<b>Business Units this contract will cover:</b>	Surface / Transport Trading Limited / GLA / London Boroughs or any Public Bodies in the Greater London Area and TfL subsidiaries.		
<b>Contracting authority details:</b>	<b>TRANSPORT FOR LONDON</b> , a statutory body established under the Greater London Authority Act 1999 whose office is at Windsor House, 42-50 Victoria Street, London SW1H 0TL		
<b>SQA Score (LU Only)</b>	A/B/C/D/E	N/A	
<b>Is this a call-off from a current framework?</b>	Yes – TfL framework	<b>If yes which framework?</b>	tfl_scp_001290 (Rapid Charge Point Concessions Framework)
<b>Special terms or Considerations:</b>	CDM, WEE, WRRR, LLW, Ethical Sourcing, Supplier Diversity		

### 3. Background

3.1 All (5) Concessionaires have demonstrated they have the requisite capacity, capability as well as technical and operational expertise to supply, install, maintain and operate rapid charge points. This was established during the procurement conducted in order to be appointed to the Framework.

3.2 The Concessionaires are:

- Bluepointlondon;
- British Gas;
- Chargemaster;
- Facility Management (a wholly owned UK subsidiary of Electricity Supply Board (FMUK)); and
- Fastned

3.4 The Framework may be used by the following Awarding Authorities:

- TfL (or any subsidiary of TfL);
- The GLA functional bodies (and any subsidiary of the GLA); and
- Public Bodies in Greater London (this includes all London Boroughs)

### 4. Business Context

- 4.1 The Mayor has pledged that at least 75 rapid charge points will be installed in London by the end of this calendar year (2017) and up to 300 by the end of 2020.
- 4.2 The Framework will help TfL and the Boroughs to fulfil this commitment by facilitating the award of Call-Off Contracts to Concessionaires who will supply, install, maintain and operate rapid charge points on TfL or Borough owned sites of land leased to them for a Call-Off term duration of up to ten (10) years.
- 4.3 TfL will manage the procurement process on behalf of all its own sites as well as provide Boroughs with any assistance they require to conduct the mini-competition procurement process. It is likely that TfL will take a lead role in managing this process on behalf of Boroughs to facilitate the critical installation of 75 rapid charge points by the end of 2017. This does not negate that each Borough still contracts directly with the Concessionaire for sites on land it owns.
- 4.4 Very recent studies commissioned by TfL identified that London may require some 700 rapid charge points by 2020 to meet demand from 9,000 zero emission capable (ZEC) taxis and the fleet of pure electric private hire vehicles (PHV). We are currently reviewing TfL's funding options to understand whether this is feasible and determine an appropriate delivery strategy.

## **5. Revenue**

- 5.1 These Call-Off Contracts will incur no expenditure, they are revenue generating only.
- 5.2 The extent of revenue realised will not be determined until the Call-Off stage once site packages have been tendered to the Concessionaires via a mini-competition process.
- 5.3 The revenue received in relation to each package of sites tendered will be composed of two elements:
  - 5.3.1 The Site Charge – all framework Concessionaires have committed to pay a sum for leasing the sites the rapid charging infrastructure is operated on. The reserve price will be determined at the sole discretion of the Awarding Authority and shall be stated in the Mini-Competition Request Form. Concessionaires may submit bids over and above the reserve price in their proposals resulting in a higher score being achieved in the evaluation; and
  - 5.3.2 Turnover Charge – all framework Concessionaires have committed to pay at least 1% of the turnover generated from the rapid charge points

over the term of the Call-Off Contract to the Awarding Authority. The Concessionaires may increase this baseline percentage when bidding for site packages resulting in a higher score being achieved in the evaluation.

- 5.4 Commercial will keep a record of all revenue generated under the Framework in relation to TfL sites and will provide Surface Transport Board with a report every six (6) months, or other frequency as requested, detailing what revenue has been realised and what revenue is forecast to be realised.

## **6. Route to Market**

- 6.1 Although the Framework was tendered before the Concession Contracts Regulations 2016 came into force, TfL conducted the procurement in alignment with the Treaty Principles (including transparency and open competition) using a voluntary, non-mandatory OJEU based process in accordance with the general principles of the Competitive Dialogue procedure.
- 6.2 All five (5) Concessionaires appointed to the Framework will be invited to tender for every package of sites unless grounds exist for terminating the Framework with any Concessionaire (in which case that Concessionaire may be excluded at the Awarding Authority's discretion).

## **7. Systems**

- 7.1 The TfL e-tendering portal (ProContract) will be used for all mini-competitions for TfL sites as well as any mini-competitions that TfL manages on behalf of the Boroughs. A framework has been set up on the ProContract system for this requirement which will facilitate ease of tendering and expediency.

## **8. The Mini-Competition Process**

- 8.1 A step by step overview of the mini-competition process, inclusive of contractual timescales, is provided at Appendix A to this document. The timescales may be accelerated if alternatives are stated in the Mini-Competition Request Form and all Concessionaires attended a briefing session where this was explained. Any alternative timescales must allow the Concessionaire's a reasonable amount of time to formulate a robustly costed proposal.
- 8.2 The template Mini-Competition Request Form, inclusive of the draft Call-Off Contract, must be used to seek proposals - as attached at Appendix B to this document.

8.3 For planning purposes, a checklist of what information or documentation any Awarding Authority must have in place, or have considered, in order to be ready to tender site/s is attached at Appendix C to this document.

## 9. Evaluation

9.1 The following details align with what is already specified in the Framework.

9.2 The Evaluation process will select the Concessionaire that has submitted the Most Economically Advantageous Tender (MEAT).

9.3 The MEAT is determined as the highest evaluated score in a 50:50 combination of Quality and Financial scores.

9.4 The assessment criteria weightings for Quality and Financial must be further broken down as follows:

Quality	Technical Requirements	35%
	Turnover Percentage	15%
Financial	Site Charge	25%
	Pay As You Go (PAYG) Average Price	25%

### 9.5 Quality Evaluation:

9.5.1 Technical Requirements - TfL shall specify any additional sub-weighting assessment criteria and any pass/fail thresholds in the Mini-Competition Request Form but the overarching intention is to keep the evaluation process as simple as possible as all five (5) Concessionaires have already demonstrated they have the requisite capacity, capability as well as technical and operational expertise to supply, install, maintain and operate rapid charge points during the procurement exercise to be appointed to the Framework. For this reason there will be no Quality threshold.

9.5.2 Turnover Percentage - will be evaluated using the “Price Proportion” method, where the highest Turnover Percentage figure offered achieves the maximum score and the other bids will be awarded a score that is proportionate to the highest figure offered.

### 9.6 Financial Evaluation

9.6.1 Site Charge - will be evaluated using the “Price Proportion” method, where the highest figure offered for the Site Charge achieves the maximum score and the other bids will be awarded a score that is proportionate to the highest figure offered.

9.6.2 PAYG Average Price - will be evaluated using the “Inverse Price Proportion” method, where the lowest figure offered achieves the maximum score. All

other bids are awarded a score that is proportionate to the lowest figure offered.

#### 9.7 Commercial Evaluation

A Commercial evaluation shall also be conducted and this will cover acceptance of the proposed Call-Off Contract as drafted, inclusive of all Site Agreements, on a pass/fail basis.

9.8 During the evaluation stage Concessionaires are obliged to respond to any requests for further information within two (2) Business Days (unless otherwise specified by the Awarding Authority). Not adhering to this is grounds for the Awarding Authority to exclude the Concessionaire from the evaluation process).

9.9 If required, the Awarding Authority may request each Concessionaire to attend a meeting during the evaluation stage (non-attendance by the Concessionaire is a grounds for the Awarding Authority to exclude the Concessionaire from the evaluation process).

9.10 The Abnormally High or Abnormally Low tender processes may be invoked if applicable during evaluation.

9.11 The Concessionaire that submits a proposal which passes all the stated thresholds and that achieves the highest overall score, once the Quality and Financial evaluation scores have been combined, will be the successful Concessionaire and will be awarded the Call-Off Contract for the package of sites tendered.

#### 10 **Scoring Scale**

A simplified TfL standard 5-point linear scale will be used for the Technical Requirements evaluation.

<b>Descriptor Title</b>	<b>Score</b>	<b>Descriptor</b>
Unacceptable	1	The response does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the bidder has the ability to provide the supplies/services, with little or no evidence to support the response.
Poor	2	Some minor reservations of the bidder's ability to provide the supplies / services, with little or no evidence to support the response.

	Meets the Requirement	3	Demonstration by the bidder of the relevant ability to provide the supplies/services, with evidence to support the response.
11	Good Terms and Conditions	4	Above average demonstration by the bidder of the relevant ability required to provide the supplies services.
	Outstanding	5	Exceptional demonstration by the bidder of the relevant ability required to provide the supplies/services.

11.1 A bespoke Concessions Framework contains the overarching terms and conditions and this includes a template Call-Off Contract and mini-competition Request Form which shall be used for this requirement. All Concessionaires' have already signed up to these terms and conditions.

11.2 The Call-Off Contract incorporates all applicable Site Agreement licences or leases for the land being tendered. This provides the Concessionaire with authority to install and operate rapid charge points from the site(s) for a specified term. Competitive Dialogue with the Concessionaire's established that a Call-Off term of between eight (8) to ten (10) years is optimum and will provide Concessionaire's with a return on investment and reasonable profit generation. It is possible to specify a shorter term duration but this may not be attractive to the Concessionaire's and will likely result in reduced competition or no bids at all (particularly if the site in question is for taxis only and the revenue generation potential of that charge point is already limited).

11.3 The Framework runs for an initial term of three (3) years from 25 April 2017 and TfL has the option to extend, at its discretion, by an additional one (1) year after the initial term. Mini-Competitions can be conducted for as long as the Framework remains live.

## 12 Governance Arrangements

The following approval levels will be applicable for delivery of the first 75 Charge Points and governance arrangements will be reviewed thereafter.


Document	Approval Level	Further Notes
Contract Award Recommendation (CAR)	Senior Commercial Manager	Appendix D provides the template CAR, this is a simplified version of the standard TfL Contract Award Recommendation to make the Call-Off Award process as expedient as practical.
Call-Off Contract Signature	Senior Commercial Manager	

## 13 Transparency



- 13.1 Details of Call-Off Contracts awarded under the Framework will be published on Contracts Finder to satisfy TfL's transparency obligations.
- 13.2 Furthermore, a complete record of all Call-Off's from the Framework will be centrally held by TfL Commercial. Each time a Borough or Awarding Authority other than TfL awards a Call-Off contract they have been instructed to provide TfL with the following details so the log can be accurately populated and maintained:
- a) Name of successful Concessionaire;
  - b) Number and location of sites awarded; and
  - c) Number of charge points that will be installed.

# Agenda Item 12

<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>8 OCTOBER 2018</b></p>	 <p>h&amp;f hammersmith &amp; fulham</p>
<b>HAMMERSMITH FLYOVER - GREENING, PLANTING AND CYCLE PARKING IMPROVEMENT SCHEME</b>	
<b>Report of the Cabinet Member for the Environment – Councillor Wesley Harcourt</b>	
<b>Open Report</b>	
<b>Classification - For Decision</b>	
<b>Key Decision: Yes</b>	
<b>Consultation</b> Waste, Community Safety, Highways, Air Quality, Parks and Leisure, Finance	
<b>Wards Affected:</b> Hammersmith Broadway	
<b>Accountable Director: Mahmood Siddiqi, Director of Highways &amp; Parks</b>	
<b>Report Author:</b> Hinesh Mehta Transport Planner	<b>Contact Details:</b> Tel: 020 8753 6703 E-mail: hineshmehta@gmail.com

## 1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to progress the Hammersmith Flyover Greening, Planting and Cycle Parking Improvement Scheme.
- 1.2. Hammersmith Business Improvement District (BID) successfully applied for £196k of funding from the Mayor of London's Air Quality Fund (MAQF) for improvements to the space under Hammersmith Flyover. £40k is also contributed to the project as match funding from the Council's Local Improvement Plan (LIP) allocation. The total scheme cost is £236,000.

## 2. RECOMMENDATIONS

- 2.1. That authority be delegated to the Director of Highways & Parks in consultation with the Cabinet Member for the Environment to approve the implementation of the Greening, Planting and Cycle Parking Scheme in Autumn 2018, prior to the funding expiring in January 2019.

- 2.2. That an order is placed with the Council's Term Contractor (FM Conway PLC) for up to £236,000, £196,000 of which will be invoiced to Hammersmith BID who have secured the project funding from the Mayor of London's Air Quality Fund (MAQF).

### **3. REASONS FOR DECISION**

- 3.1. The funding stream provided to Hammersmith BID presents an opportunity to deliver a scheme which will improve the urban realm space under Hammersmith Flyover with greening, planting and cycle parking.

### **4. PROPOSAL AND ISSUES**

- 4.1. Physical improvements under the flyover and a wider programme of complementary work is designed to improve the urban realm of the Hammersmith flyover. This will be through greening and provision of cycle parking infrastructure. All the proposed works fall under the council's statutory powers under a variety of acts including the Traffic Management Act 2004.
- 4.2. Improvements include green ivy screens to be fixed to the existing guard railing and not exceeding the guard rail height. Planters will be placed in the area to improve the public realm. Improvements will be made to the garden outside St. Paul's School entrance on Sussex Place.
- 4.3. The funding will be spent according to the following approximate costs:
- £50k – Ivy screens along guard rails
  - £50k – Planters with varied species
  - £85k – Cyclehub implementation
  - £30k – St. Paul's School Garden
  - £20k – Painting/artwork.
- 4.4. The types of plant species used for the screens and in planters will be chosen to help reduce pollutants from the atmosphere that are emitted by motor vehicles.
- 4.5. A cycle hub at the junction of Talgarth Road and Fulham Palace Road will increase cycle parking capacity and reduce clutter. Painting of the flyover columns and walls along Talgarth Road are also being investigated with Transport for London (TfL).
- 4.6. No changes are planned to the carriageway and no changes to traffic and overall car parking provision are expected.
- 4.7. The funding constraints from TfL are to complete the scheme by January 2019 and claim all funds by February 2019. Officers are confident implementation can take place between October and December 2018 if decisions are delegated to the Director of Transport, Highways and Parks.

- 4.8. Where changes to the highway are proposed, these are to be in line with section 122 of the Road Traffic Regulation Act 1984; securing the expeditious, convenient, and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities.

## **5. OPTIONS AND ANALYSIS OF OPTIONS**

- 5.1. Officers have considered several design options and a final concept design is presented with this paper as Appendix 1. The conditions of the funding and the layout and urban environment under the flyover mean that the options for greening are limited.
- 5.2. It is recommended that the green ivy screens, planters with a variety of low light species, a cycle hub and potentially painting is progressed as this represents the most deliverable scheme at present.

## **6. CONSULTATION**

- 6.1. Consultation undertaken to date has included an external stakeholder group organised by Hammersmith BID of local businesses and organisations.
- 6.2. Consultation has also taken place across the Council with Community Safety, Waste Management, Highways, Air Quality and Environment, Finance as well as TfL which owns the flyover.
- 6.3. The scheme will undergo an advisory online public consultation from 3<sup>rd</sup> September until 4<sup>th</sup> October 2018 and any feedback will be considered in the final design stage.

## **7. EQUALITY IMPLICATIONS**

- 7.1. The groups with the following protected characteristics will benefit from improvements to the council's highway network and urban environment through accessibility improvements such as entry treatments which reduce the crossing distance for pedestrians and a reduced volume of heavy goods vehicle traffic; Age, Disability, Pregnancy and Maternity.
- 7.2. All groups will benefit from improved air quality which is one of the core objectives of the LIP and the Mayor of London's environmental policies.
- 7.3. *Implications verified/completed by: Peter Smith, tel. 020 8753 2206.*

## **8. LEGAL IMPLICATIONS**

- 8.1. The proposed works set out in this report are being carried out by the Council in its capacity at the Local Highway Authority for Hammersmith and Fulham.
- 8.2. Parts IV and V of the Highways Act 1980 place a duty on the Council for creating, improving and maintaining highways and provides the necessary powers to carry out such works.

- 8.3. The Road Traffic Regulation Act 1984 and Traffic Management Act 2004 provides the Council with powers to regulate or restrict traffic on the roads within the borough, to enable the works to be carried out and in the interest of safety make Traffic Regulation Orders.
- 8.4. Localism Act 2011 provides the Council with a general power of competence in relation to actions for its benefits, its area or persons resident or present in its areas.
- 8.5. The Council has a public-sector duty under the Equalities Act Section 149 and has considered its duties under Equality Implications section.
- 8.6. *Implications verified/completed by: Twahid Islam, Planning and Highways Solicitor, telephone 0208 753 5574; and Adesuwa Omoregie, Chief Solicitor (Planning, Highways, Licensing and Property), tel. 020 8753 2297.*

## **9. FINANCIAL IMPLICATIONS**

- 9.1. TfL has allocated £196,000 from the Mayor's Air Quality Funding for Business programme in 2018/19 to Hammersmith BID. LBHF has allocated £40k from LIP funding for 2018/2019.
- 9.2. At present the costs are based on an estimate. This is subject to change once the detail of the scheme has been costed. The funding however is limited to the amount approved by TfL.
- 9.3. *Implications completed by: Giles Batchelor, Finance Manage (Highways) 020 8753 2407; Chris Harris, Chief Accountant 020 8753 6440 and Christina Cato, Lead Head of Finance, tel. 020 8753 1979.*
- 9.4. *Implications were verified by Emily Hill – Assistant Director (Corporate Finance), tel. 020 8753 3145.*

## **10. IMPLICATIONS FOR BUSINESS**

- 10.1. There are several businesses in the immediate vicinity of the scheme boundary that will benefit from this scheme as the core objectives are to improve the public realm under the flyover with more greenery, reduced particulate matter, as well as cycle facilities.
- 10.2. Conways are the Council's term contractor and therefore the only authorised body who can undertake these tasks on the highway. As part of their contract, Conways use local sub-contractors where possible.
- 10.3. *Implications verified/completed by Albena Karameros, Economic Development Team, tel. 020 7938 8583.*

## **11. COMMERCIAL IMPLICATIONS**

- 11.1. There are no procurement related issues as the recommendations relate to orders to be placed with the Council's Measured Term Contractor to carry out the improvement works.
- 11.2. The costs of the scheme up to £196k will then be invoiced to Hammersmith BID who will claim up to £196k from the funding scheme.
- 11.3. *Implications verified by Simon Davis, Head of Commercial Management, tel. 07920503651.*

## **12. IT IMPLICATIONS**

- 12.1. At present there are no IT implications anticipated from the scheme.
- 12.2. Information Management Implications: if any personal or sensitive data is processed in order to deliver this scheme, a Privacy Impact Assessment will need to be completed asap if one is not already in place and up to date. This will ensure that all potential data protection risks in relation to this scheme are properly assessed with mitigating actions agreed and implemented. For example, ensuring that contract data protection and processing schedules or an information sharing agreement are in place in order to comply with H&F's regulatory requirements.
- 12.3. Any contracts with any suppliers will need to include H&F's new data protection and processing schedule. These are compliant with the General Data Protection Regulation (GDPR) enacted from 25 May 2018.
- 12.4. *Implications verified/completed by: Tina Akpogheneta, Strategic Relationship Manager, tel. 020 8753 5748.*

## **13. RISK MANAGEMENT**

- 13.1. The scheme's environmental design seeks to better integrate the flyover with the natural environment ensuring that it functions and performs in an efficient way but limiting the impact it has on the natural environment and climate.
- 13.2. A risk assessment was undertaken by Hammersmith BID as part of the application for funding.
- 13.3. *Implications verified/completed by: Michael Sloniowski Risk Manager, tel 020 8753 2587, mobile 07768 252703. David Hughes on tels 07817 507695 and 0207 361 2389.*

## **LIST OF APPENDICES:**

Appendix 1 – Hammersmith Flyover – Greening, Planting and Cycle Parking Improvement Scheme Design

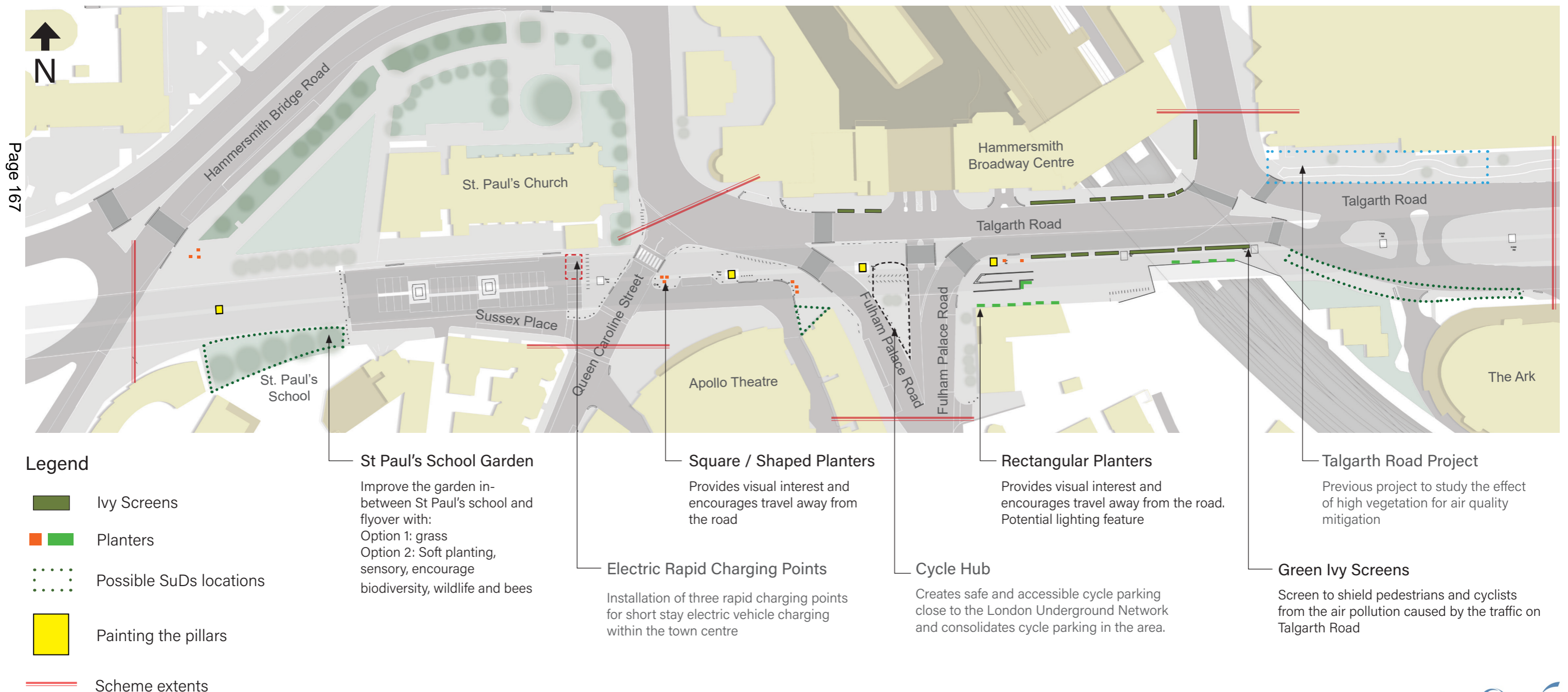
# BUSINESS LOW EMISSION NEIGHBOURHOOD

Hammersmith and Fulham Council aims to improve air quality across Hammersmith Town Centre, through the Hammersmith Town Centre Low Emission Neighbourhood. The Business Low Emission Neighbourhood or B-LEN is one of the initiatives within this project.


This area is particularly hostile environment for pedestrians and cyclists and is dominated by vehicles and with high levels of air pollution. The B-LEN features are 'quick wins', which can be implemented this year but do not conflict with the council's intention with removing the flyover as the majority of measures could be moved to another location. These proposals form the first phase of this project, which aim to green the area under the flyover and reduce the impact of air pollution on pedestrians.

This part of the B-LEN project includes:

- Green infrastructure: Ivy screens and planters. The 1-1.2m Ivy Screens shield pedestrians and cyclist from tail pipe emissions from the traffic on the gyratory.
- Planters: Provide visual interest and encourage pedestrians to detour away from the traffic and pollution source.
- Possible SuDs locations: Investigating sites within the scheme that could have potential for Sustainable drainage.
- Painting the flyover pillars: Investigating the potential of changing the space by painting parts of the flyover.



# Agenda Item 13

<b>London Borough of Hammersmith &amp; Fulham</b>		 hammersmith & fulham
<b>CABINET</b>		
<b>8 OCTOBER 2018</b>		
<b>KEY COMPLIANCE POLICIES – Asbestos/Fire/Gas</b>		
<b>Report of the Cabinet Member for Housing – Councillor Lisa Homan</b>		
<b>Open Report</b>		
<b>Classification: For decision</b> <b>Key Decision: Yes</b>		
<b>Consultation:</b> Legal, Finance, Health & Safety, Procurement, Equalities, IT, Risk		
<b>Wards Affected:</b> All		
<b>Accountable Officer: Jo Rowlands, Strategic Director, Growth and Place</b>		
<b>Report Author:</b> David McNulty Assistant Director, Operations Growth and Place  Liz Byron Policy Officer	<b>Contact Details:</b> <a href="mailto:David.mcnulty@lbhf.gov.uk">David.mcnulty@lbhf.gov.uk</a> Tel: 07867 160527  <a href="mailto:elizabeth.byron@lbhf.gov.uk">elizabeth.byron@lbhf.gov.uk</a> Tel: 0207 8753 6014	

## 1. EXECUTIVE SUMMARY

- 1.1. This report is submitted to recommend that Cabinet notes the background papers used in preparing this report: policies for Asbestos, Fire and Gas Safety and Management.
- 1.2. The policies potentially affect all residents within the London Borough of Hammersmith and Fulham (LBHF) and specifically affect all Council homes within the borough.
- 1.3. The policies explain how the G&P will effectively promote and manage safety issues regarding asbestos, fire and gas safety and taking account of residents, staff, contractors and visitors.
- 1.4. It is nationally recognised best practice to ensure these Health and Safety policies are regularly reviewed and updated. These policies relate to the



Council's managed housing stock and responsibilities as a landlord. The Council's Growth and Place Directorate is therefore the lead directorate in ensuring these policies are updated in line with the Council's wider commitment to achieving the highest standards of compliance possible.

- 1.5. The Council operates a 'Plan, Do, Check, Act' approach to routinely review its health and safety systems to keep pace with best practice. In Hammersmith and Fulham, it is important to us and our residents that we continually improve our practices to keep people safe. Our compliance policies set out clearly how we will achieve this, who is responsible, how we check they are being followed, and how we act to improve.
- 1.6. This report underpins the fact that Elected Members and the Strategic Management Team recognise the importance of these key safety issues, the need for legal compliance and the need for this to be an ongoing process addressing public concerns, legislative changes, recommendations of relevant enquiries and lessons learned from future incidents.
- 1.7. The policies are published on the Property Services pages of the LBHF Intranet at:  
<https://officesharedservice.sharepoint.com/sites/intranet/hf/gp/Pages/Property-Services.aspx> and will be made available in Members' rooms.
- 1.8. The documents are to be a template for best practice across the Council and G&P are working with colleagues in other Directorates to achieve this.
- 1.9. Each of the policies will be supported by a suite of safety leaflets for residents.

## **2. RECOMMENDATIONS**

- 2.1. That Cabinet notes the following background papers used in preparing this report:
  - 2.1.1 Asbestos Policy
  - 2.1.2 Asbestos Management Plan
  - 2.1.3 Fire Safety Management System
  - 2.1.4 Gas Safety Policy
- 2.2 That Cabinet signs the Statement of Intention attached to the Fire Safety Management System. (Appendix 1).

## **3. REASONS FOR DECISION**

- 3.1. Implementation of these policies will ensure that the Council fulfils its duties in providing and maintaining a safe and healthy environment for our residents, staff, contractors and visitors and delivers against the Resident Involvement Strategy 2016-2018.<sup>1</sup>

---

<sup>1</sup> Resident Involvement Strategy 2016-2018  
<https://officesharedservice.sharepoint.com/sites/intranet/hf->

3.2. The management of the policies will ensure engagement with residents and stakeholders.

#### **4. PROPOSAL AND ISSUES**

4.1. Cabinet are asked to note the principles in delivering the attached policies, their purpose and scope as set out below.

##### **4.2. *Principles in delivering the policy***

- The underlying principles for each of the policies is safety and the management of risk
- Each of the policies will be reviewed regularly
- The policies will be published
- Each policy will be reviewed at key stages in light of changing legislation, appropriate guidance, inquiries, etc.

##### **4.3. *Purpose - Asbestos***

4.3.1 The primary purpose of this policy is to outline how G&P, on behalf of LBHF, will deliver adequate and effective management of asbestos containing materials (ACMs) in order to prevent exposure to asbestos.

4.3.2 This will ensure that the Council and G&P meet the statutory duties under the Control of Asbestos Regulations 2012, and specifically those under Regulation 4, the Duty to Manage, and Regulation 5, Identification of Asbestos, the Defective Premises Act 1972 and the Landlord and Tenant Act 1985.

4.3.3 The policy outlines how the responsibilities for asbestos management are assigned at both a strategic and operational level.

4.3.4 The policy provides high level guidance to allow adequate resources to be directed to asbestos management to ensure risk is mitigated.

4.3.5 The policy also demonstrates the high-level commitment of LBHF in managing asbestos in order to provide safe living and working environments for residents, staff and contractors.

4.3.6 The policy is supported by an Asbestos Management Plan which sets out G&P's strategy for compliance with all current, relevant health and safety legislation relating to asbestos.

4.3.7 The policy covers all properties where the LBHF G&P have a maintenance or repair responsibility and details the specific responsibilities in differing premises and all relevant legislation. The

---

[housing/housdepartment/Intranet%20Documents/Resident%20Involvement%20Strategy%20-%20Design%20Final.pdf#search=excellent%20housing%20for%20all](https://housing/housdepartment/Intranet%20Documents/Resident%20Involvement%20Strategy%20-%20Design%20Final.pdf#search=excellent%20housing%20for%20all)

body of the policy also outlines how its objectives will be met and the specific responsibilities of elected members, staff and contractors.

4.3.8 The Asbestos Management Plan provides more detail and additionally covers training and competency, surveys, risks and actions, record keeping and communication, removal and remediation works, emergency procedures and safe systems of work.

#### 4.4 **Purpose – Fire**

4.4.1 The purpose of this document is to set out how LBHF will secure the health, safety and welfare of employees, tenants, leaseholders, contractors, and visitors (who may occupy or visit premises under their control), through the implementation of Fire Risk Management, to ensure compliance with relevant fire safety legislation.

4.4.2 The Fire Safety Management System includes a statement of intent to be signed by the Leader of the Council and Chief Executive. The body of the report describes detailed responsibilities across the Council, LBHF's approach to fire safety, relevant legislation, operational delivery, review of policy and systems and the Council's ability to learn and respond.

#### 4.5 **Purpose – Gas**

4.5.1 This policy outlines the arrangements operated by the Council to comply with the requirements of the Gas Safety (Installation and Use) Regulations 1998 (GSIUR) and amendments and to ensure all risks are mitigated. These risks include:

- fires or explosions caused by gas leaks;
- carbon monoxide poisoning caused by poor combustion attributable to faulty or inadequately serviced appliances;
- scalding due to excessive hot water temperature, resulting from inadequate control of system temperature.

4.5.2 This policy also outlines the council's responsibilities as a landlord in respect of gas safety.

4.5.3 The policy includes how the Council will deal with gas safety checks, installations, communal boilers, voids, audits, registration and certification.

#### 4.6 **Scope**

4.6.1 The asbestos policy covers all properties where the LBHF G&P have a maintenance or repair responsibility. Specific responsibilities are covered in the policy itself, e.g. distinctions between domestic and non-domestic areas.

4.6.2 The fire policy is a Corporate policy and covers the Council's duty to comply with the Fire Safety Order as it applies to the residential properties which it

owns or occupies. The Fire Safety Order applies to the communal areas within those properties and excludes the internal areas of residential properties, which fall within the scope of the Housing Act 2004.

#### 4.6.3 The gas safety policy covers:

- Staff or other persons under the Council's control, including contractors;
- all Council owned residential properties where the Council has a landlord responsibility that include a gas appliance, a flue, a gas meter and associated pipework;
- all hostels, private sector leasing (PSL) and private license accommodation (PLA) properties where gas safety is managed by G&P, that includes a gas appliance; a flue, a gas meter and associated pipework;
- all properties where the council does not own the property but has a landlord's responsibility;
- communal heating systems and associated boilers and plant that are owned and/or managed by the Council.

4.6.4 While G&P have a lead role in most of the issues pertaining to asbestos, fire and gas, they also impact on other Directorates and teams within the Council. It is essential that these policies are shared with, and take account of the requirements of other services.

## **5. OPTIONS AND ANALYSIS OF OPTIONS**

- 5.1. Each of the policies attached and the Asbestos Management Plan are issues of compliance and enshrined in legislation.
- 5.2. It is not an option for the Council not to have these policies in place and plans to execute them.
- 5.3. It is essential that Elected Members, Strategic Leadership Team and other staff are fully aware of their responsibilities relating to asbestos, fire and gas as detailed in each policy.

## **6. CONSULTATION**

- 6.1. Technical staff have been fully consulted in the development of these policies, as have in-house expert consultants.
- 6.2. Due to the current profile of the attached policies, it is intended to publish them with a Policy Decision Register to enable prompt responses to new legislation and guidance.

## **7. EQUALITY IMPLICATIONS**

- 7.1 As required by Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public-Sector Equality Duty and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Act, from the adoption of these policies.
- 7.2 Implications completed by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

## **8. LEGAL IMPLICATIONS**

- 8.1. The Council is responsible for health and safety checks in a range of premises, both as an employer and a landlord. It has statutory obligations under various pieces of legislation, a contractual obligation to its tenants and leaseholders and a duty of care to ensure the safety of residents. This report and background papers used in preparing this report refer directly to these responsibilities and legal requirements including in terms of Statutes, Regulation, Guidance and fire regulation codes.
- 8.2. It is important that the Council has robust procedures and policies to ensure compliance with its legal obligations. Non-compliance could pose a health and safety risk and result in a criminal prosecution.
- 8.3. Implications verified/completed by: Angus Everett, Chief Solicitor, tel. 020 8753 2724.

## **9. FINANCIAL IMPLICATIONS**

- 9.1 The cost of implementing these policies is expected to initially be met by available existing council budgets. Most of the funding is likely to come from the Housing Capital Programme and the Housing Revenue Account. The policies also in some instances apply to properties accounted for in the General Fund.

### **Housing Budgets**

- 9.2 The capital funding available for Housing is limited by the debt cap of £254.6 million imposed on the council for the Housing Revenue Account by the Ministry for Housing, Communities and Local Government. The revised capital programme for 2018/19 to 2021/22 being proposed at October 9<sup>th</sup> Cabinet has the following provision for such works:

- Fire Safety Improvements Budget: £7.1 million.
- Fire Safety Plus Budget: £18.9 million<sup>2</sup> (in part funded by the £12.85 million Fire Safety earmarked reserve)
- Unallocated Housing Capital Programme Budget: £42.8 million.

---

<sup>2</sup> £1.1m of the original £20m had been spent as at the 31<sup>st</sup> March 2018

- 9.4 It is currently forecast that, after allowing for the above budgets, the Council will be within £0.8m of the Housing Revenue Account debt cap by 2021/22<sup>3</sup>. Therefore, careful monitoring and planning of the Housing Capital Programme will be required so that there are sufficient resources and flexibility in the programme to ensure the Council can fulfil its health and safety obligations going forward.
- 9.5 In addition to the Capital Budgets above the Housing Revenue Account forecast as at 31<sup>st</sup> July 2018 has set aside £7.1 million of revenue expenditure for 2018-19 to enable compliance with these policies.

### **General Fund Budget**

- 9.6 The following capital budgets are held for areas covered by these policies:
- Fire risk assessment review - consequential works: £70,000
  - Asbestos management plan - consequential works: £70,000.
- 9.7 As with the Housing Capital Programme, there remains a risk, especially given emerging changes to regulations, that further funding may be required.
- 9.8 Implementation of the policies will contribute to the Council fulfilling its duties in providing and maintaining a safe and healthy environment to the benefit and welfare of employees, tenants and leaseholders, contractors and visitors (who may occupy or visit premises under their control). This in turn will reduce the risk of health and safety breaches that could result in fines from the Health and Safety Executive.
- 9.9 Implications verified/completed by: Firas Al-Sheikh, Head of Financial Investment and Strategy, 020 8753 4790
- 9.10 Implications verified by Emily Hill – Assistant Director (Corporate Finance), tel. 020 873 3145.

## **10. IMPLICATIONS FOR BUSINESS**

- 10.1 All spend resulting from the policies stated in this report shall follow the Council's Contracts Standing Orders (CSOs) and the Public Contracts Regulations (PCR) 2015.
- 10.2 Implications provided by Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

## **11 COMMERCIAL IMPLICATIONS**

- 11.1 All spend resulting from the policies stated in this report shall follow the Council's Contracts Standing Orders (CSOs) and the Public Contracts Regulations (PCR) 2015.

---

<sup>3</sup> Forecast included in Capital Programme Monitor & Budget Variations, 2018/18 (First Quarter) being proposed at October 9<sup>th</sup> 2018 Cabinet.

- 11.2 Implications provided by Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

## **12 HEALTH AND SAFETY IMPLICATIONS**

- 12.1 The policies and associated procedures set out how G&P fulfil its duties under the law to protect staff, tenants and those affected by Council's activities, within properties for which it has a responsibility, to as low as is so far is reasonably practicable. These documents have been drafted in cooperation with corporate health and safety.
- 12.2 Performance monitoring, reporting and third-party checks are set out in the documentation.
- 12.3 Implications provided by Richard Buckley, Head of Environmental Health (Residential) & Corporate Safety, tel. 020 8753 3971.

## **13 IT IMPLICATIONS**

- 13.1 Should any new systems be procured to support the Council's compliance activities in these areas, they will be expected to function with open Application Programme Interfaces (APIs) and be capable of interfacing with the Council's Business Intelligence system if required. This will enable the Council to use predictive data analysis in shaping its services. If data is required for this purpose then the Council will need to ensure the Privacy Impact Assessment is reviewed accordingly and required information governance actions are carried out.
- 13.2 Information Governance Implications: If the Council or any third parties will be processing sensitive and/or personal data on behalf of H&F (for example, details of vulnerable residents or leaseholders processed in the course of monitoring or assessing compliance in the relevant areas), a Privacy Impact Assessment will need to be completed asap if not already in place and up to date, to ensure all potential data protection risks in relation to these activities are properly assessed with mitigating actions agreed and implemented.
- 13.3 Any relevant contracts with third parties, whether existing or new, will need to include H&F's new data protection clauses and processing schedule. These are compliant with the General Data Protection Regulation (GDPR) enacted from 25 May 2018.
- 13.3 IT implications verified by Tina Akpogheneta, Strategic Relationship Manager, tel. 020 8753 5748.

## **14 RISK MANAGEMENT**

- 14.1 The Council takes the commitment to health and safety very seriously and is noted on the Council's Corporate Risk Register under the general arrangements for Health and Safety but also more specifically in relation to our statutory obligations to undertake inspections. Effective management of

health, safety and wellbeing for residents, employees, contractors and visitors underpins the ability of the Council to deliver and achieve its key priorities especially through delivering outstanding customer service, regenerating the Borough and improving its performance across the board. Working safely is also important for our customers, and should always seek to deliver quality services in a safe, secure environment.

- 14.2 By having written detailed Policies, the Council can ensure that a uniform and professional approach is maintained throughout the organisation. The risk of not having an appropriate arrangement in place is that systems are not serviced in accordance with relevant current legislation and good practice guidance. Key policies will be considered within the Council's overall Business Continuity Planning requirements in line with Corporate Risk 5, Business Resilience.
- 14.3 Risk implications verified by Michael Sloniowski, Risk Manager, tel: 020 8753 2587.

## 15.0 BACKGROUND PAPERS USED IN PREPARING THIS REPORT

	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>
1.	Asbestos Policy	Liz Byron Policy Officer <a href="mailto:elizabeth.byron@lbhf.gov.uk">elizabeth.byron@lbhf.gov.uk</a> Tel: 0207 8753 6014
2.	Asbestos Management Plan	
3.	Fire Safety Management System	
4.	Gas Safety Policy	

## APPENDICES

Appendix 1 Statement of Intention – Fire Safety Management System





## **FIRE SAFETY STATEMENT OF INTENTION**

We recognise and accept our duty to provide and maintain a safe and healthy work environment for our staff, partners, and the public and others affected by our activities.

As a landlord, we will provide buildings that are safe throughout their lifecycle make sure that, where third parties provide housing on our behalf, it too is safe.

The Council is directly responsible for over 800 corporate buildings and provides housing to more than 12000 tenancies and over 4800 leaseholders. The housing portfolio is made up of 2860 blocks of which 24 are 10 storeys and over. In addition, LBHF commissions a portfolio of supported housing and has over 1400 households living in temporary accommodation.

Elected Members and the Senior Management Team recognise the need to achieve stringent standards to managing fire safety and that is an on-going process adapting to public concerns, technical progress, regulatory changes and learning from future incidents.

We will provide effective strategic leadership on local fire safety. We will make sure we provide sufficient resources to assist managers in their duty and a trained and skilled workforce.

Our policy is to control risks 'so far as is reasonably practicable', respond to changing demands and to sustain positive attitudes and behaviour towards fire safety throughout our organisation. We will work to improve fire safety and the layers of protection in our buildings and recognise the special status of High Rise Residential Buildings.

This document sets out the system and organisational arrangements for the management of fire safety within the Council. It is important that we all adhere to it and remember that the most powerful message we can send is through our own behaviour.


**Leader of the Council**

**Chief Executive**

**Date:**

**Date:**

# Agenda Item 14

<p>London Borough of Hammersmith &amp; Fulham</p> <p><b>CABINET</b></p> <p><b>8 OCTOBER 2018</b></p>	
<p><b>BUSINESS CASE &amp; PROCUREMENT STRATEGY FOR HOUSING LIFT MODERNISATION PROGRAMME</b></p>	
<p><b>Report of the Cabinet Member for Housing - Councillor Lisa Homan</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification: For decision</b> <b>Key Decision: Yes</b></p>	
<p><b>Consultation: Legal, Finance, Procurement</b></p>	
<p><b>Wards Affected:</b> Addison, Askew, Avonmore &amp; Brook Green, Fulham Broadway, Fulham Reach, Hammersmith Broadway, North End, Palace Riverside, Parsons Green &amp; Walham, Ravenscourt Park, Sands End, Shepherds Bush Green, Town</p>	
<p><b>Accountable Director: Jo Rowlands, Strategic Director for Growth and Place</b></p>	
<p><b>Report Author:</b> <b>Charles Kinney</b></p>	<p><b>Contact Details:</b> Tel: 0208 753 4438 Charles.kinney@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval of a procurement strategy for the completion of the housing lift modernisation programme.
- 1.2. The Council is committed to the highest standards of Fire Safety. In support of the Council's Fire Safety Plus initiative contracts will incorporate an enhanced specification for blocks classified as higher risk following consultation with the London Fire Brigade and the Council's Building Control department. For clarification, a standard lift should not be used in the event of a fire. However, a firefighting lift is capable of being used by fire officers in the transportation of equipment.
- 1.3. It is proposed to carry out three one-off tendering exercises for individual contracts, each contract consisting of several locations, the frequency and value of which will be determined by annual budget availability and market capacity.

- 1.4 There will be a comprehensive consultation and engagement plan to ensure tenants and leaseholders are fully informed and disruption is minimised. The contract includes for a resident liaison officer to be posted on site throughout the construction period to provide assistance to residents

## **2. RECOMMENDATIONS**

- 2.1. That in accordance with the Council's Contracts Standing Orders, Cabinet approves the Business Case & Procurement Strategy for the housing lift modernisation programme 2018/2021 as set out in Appendix 1.
- 2.2. That Cabinet delegates authority to the Strategic Director for Growth and Place, in consultation with the Cabinet Member for Housing, to award the individual contracts.
- 2.3. That Cabinet delegates authority to the Strategic Director for Growth and Place, following consultation with the Cabinet Member for Housing, to approve future amendments to the packaging of the different contracts within the Procurement Strategy at Appendix 1 for operational reasons (including omitting and adding sites) where such amendments can be contained within the overall approved budget envelope and available resources.
- 2.4. That Cabinet notes that a previous procurement exercise for lift modernisation via a framework has been abandoned for reasons provided at paragraph 4.1.

## **3. REASONS FOR RECOMMENDATIONS**

- 3.1. Contract Standing Orders require departments to seek Cabinet approval for every Procurement Strategy and Business Case before a regulated procurement exercise is started.
- 3.2. The proposed strategy will enable the Council to complete a programme of modernisation for lifts serving housing blocks in various locations across the borough. It will maximise the number of firefighting lifts installed, and help deliver the Council's commitment to the highest standards of fire safety.

## **4. PROPOSAL AND ISSUES**

### **4.1. Previous Procurement**

- 4.1.1 Cabinet on 12<sup>th</sup> October 2015 approved the procurement of a 3 +1-year Framework Agreement for Housing's Lift Modernisation programme. Tenders were invited on 10th February 2017 with a tender return date of 29th March 2017.
- 4.1.2 The ramifications of the Grenfell Tower fire then impacted the tendering process. This prompted a review of the Council's fire safety procedures and a recommendation was made to the London Fire Brigade that the specification of works be amended to include the conversion of lifts serving higher risk blocks to firefighting lifts. In discussions with the LFB they have

0indicated that they are in favour of this proposal but their policy is not to issue specific approval in these matters. For clarification, a standard lift should not be used in the event of a fire. However, a firefighting lift is capable of being used by fire officers in the transportation of equipment.

It may also have significant advantages in evacuating residents needing assisted means of escape.

The optimum time to convert a lift to firefighting standard is during the full modernisation process. It is not technically possible at this stage to determine which lifts can be converted to firefighting lifts and each one will be considered on its merits. Building Control are currently carrying out an assessment of all buildings over 18 metres high and will determine which blocks have lifts that are suitable for conversion into Firefighting lifts. The objective is to deliver to install as many firefighting lifts as possible. Issues that might affect the feasibility of this are; Lift Design – electrical equipment, minimum load, size etc Building Design -the number of staircases,dry risers, safe lobby areas, drainage etc

In light of the Grenfell Tower fire it is felt that this Council should have the very highest standards of fire safety over and above the legal requirements to ensure the safety of its residents.

All new lift installations will be inspected by the lift maintenance maintenance team to ensure that the lift has been installed correctly in accordance with the specification.

In terms of ongoing maintenance this will form part of the lift maintenance contract which is shortly to go out to tender. Lifts are inspected independently every 6 months for insurance purposes and all lifts including fire fighting lifts will be checked on a monthly basis by the lift maintenance team as part of the ongoing supervision of the lift maintenance contract.

It should be noted that if firefighting lifts are to be fitted to lifts that have already been modernised they will have to be retro fitted and a separate report regarding these lifts will be submitted in due course.

Firefighting Lifts will have to comply with British Standards BS:EN 81-72:2015.

4.1.3 Consideration was given to entering into a negotiated agreement with successful contractors on the 2017 framework to enhance the specification to add in firefighting lifts. However, the legal advice was that this was not appropriate and that a new procurement exercise should be initiated.

4.1.4 Furthermore, the initial procurement exercise restricted tenderers on the number of Lots they could bid for and resulted in some Lots receiving insufficient interest.

4.1.5 Finally, performance issues on contracts awarded prior to the previous procurement have given cause for concern. A new process allows the council an opportunity to tighten the contractual arrangements.

#### **4.2. Proposed Works**

4.2.1 There are a total of 216 lifts across the housing portfolio, of which 193 have been scheduled for modernisation as part of a multi-year programme which started in earnest during 2011. 140 lifts have been completed to date, with a further 4 currently being modernised as part of live contracts. 9 lifts are the subject of separate tenders. The proposed strategy will cover the remaining 40 lifts (39 passenger lifts plus a single goods lift).

4.2.2 Works include the dismantling and removal of the existing lift installations within each block, including the main drive units, the existing control systems, lifts cars, landing equipment, associated wiring, and the installation of new modern equipment that can be supported for the foreseeable future. The works do not include renewal of the existing guides and counter weights which are serviceable, and are therefore to be retained.

4.2.4 The works will be programmed to be completed as quickly as possible in order to minimise the inconveniences to residents and visitors to the buildings whilst the lifts are out of service. Where a block is served by a single lift, it follows that there will be no lift service available to residents throughout the duration of the construction period. The contract includes for a resident liaison officer to be posted on site throughout the construction period to provide assistance to residents with their shopping and transporting of heavy loads via the stairs. The resident liaison officer will also deal with complaints and resident queries daily between the hours of 9am – 5pm (Monday to Saturday).

4.2.5 Where buildings are served by two lifts, it is proposed to phase the works so that only one lift in each block is decommissioned and worked upon at any one time. This will maintain a lift service throughout the duration of the scheme, albeit a reduced one. Works to the second lift in each block will only commence after a successful trial period of one week following completion of works to the first lift. However, where there are two lifts serving the building we are aware of the risk of failure of the in-service lift and of the consequences and inconvenience this would cause should a breakdown occur.

4.2.6 Accordingly, it is a requirement in the contract for the successful contractor to respond to breakdown repairs within one hour of notification of same. In addition, redundant parts removed from the decommissioned lift will be kept on site as spares used to maintain the in-service lift.

## **5 OPTIONS AND ANALYSIS OF OPTIONS**

5.1. A Service Review Team (SRT) has undertaken a service review in accordance with Contracts Standing Orders. Appendix 1 sets out the

commercial and procurement options, together with an analysis of these options.

## **6. CONSULTATION**

6.1 Details of consultation are given in Appendix 1.

## **7. EQUALITY IMPLICATIONS**

- 7.1. The works will mean that lifts are temporarily out of service and this may be of inconvenience to some residents, for example the elderly, disabled, or residents with young children. However, prior to works, consultation with residents and housing management will be undertaken and alternative arrangements for vulnerable residents will be considered. In exceptional circumstances this may entail a temporary decant while service is interrupted. However, in the longer term, the works will improve the reliability of the affected lifts. This project therefore has both positive and negative impacts, with the positive outweighing the short-term negative impacts.
- 7.2. Implications verified by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

## **8. LEGAL IMPLICATIONS**

- 8.1 The Open Procedure Tender proposed would be in compliance with the Council's obligations under the Public Contracts Regulations 2015 (PCR) as amended and its own CSOs requirements. Although (depending on the rules about aggregating the values of contracts of a similar type) it may be that the PCR procedural requirements do not apply, the PCR still require that there is an open and transparent procurement process.
- 8.2. The MF1 model form of contract is aimed at the supply and installation of electrical, electronic, and mechanical plant, so it would be appropriate for passenger lifts modernisation. However, many clients perceive it as contractor-friendly, and it would therefore be appropriate to amend it.
- 8.2 Implications completed by Deborah Down, Senior Associate with Sharpe Pritchard LLP, on secondment to the Council ddown@sharpepritchard.co.uk

## **9. FINANCIAL IMPLICATIONS**

- 9.1 The 2017/18 Capital Outturn report contains £69.3m of unallocated budget to be made available to various schemes within the HRA capital programme for the financial years 2018/19- 2021/22 as and when they are identified. The estimated £10.5 million (includes 9 lifts which were procured separately) needed for the lift modernisation works will be allocated out of the £69.3 million.
- 9.2. The allocation of the £10.5 million over the budget years 2018/19 to 2021/22 will be profiled in quarter 1 Capital Budget Report which will be presented to Cabinet on 8 October 2018. Beyond that as and when the respective lift

schemes progress they will receive a specific scheme specific allocation from the £10.5 million envelope.

9.3 Each scheme will be monitored and reported on via the Decent Neighbourhoods monthly budget and the quarterly Capital Cabinet Report. It is recommended that project managers maintain project cash flows that are shared with Growth and Place to ensure strong budgetary control.

9.4 Companies who express an interest will be financially evaluated in accordance with Council procedures. This involves credit checks, turnover to estimated contract value ratio and financial statement analysis to check their financial health.

9.5 Implications verified by Sudhir Kafle Housing Investment Accountant, tel. 0208 753 4391.

## **10. IMPLICATIONS FOR BUSINESS**

10.1 This is specialist work with limited implications for other businesses in the area although operatives working on site are likely to use local services including shops and cafes.

10.2 The Commissioning Manager will work with the Economic Development Team to ensure that economic and social value criteria is included in the tender documentation and to explore business opportunities to create employment and skills prospects for local residents and supply opportunities for local businesses.

10.3 Implications completed verified by Albena Karameros Economic Development Team, tel. 07738316957.

## **11. COMMERCIAL IMPLICATIONS**

11.1 The proposed approach of using an open procedure for procuring the lift contracts packages are in line with the Public Contracts Regulations (PCR 2015) and the Council's Contracts Standing Orders (CSOs).

11.2. All procurement exercises must use the Council's e-tendering system, capitalEsourcing, and be advertised accordingly, in Contracts Finder and Tenders Electronics Daily (TED) where the value reaches the statutory threshold, £4,551,413.

11.3. A tenders appraisal panel (TAP) shall be formed to evaluate the tender responses against the awarding criteria.

11.3 Implications completed by: Andra Ulianov, Procurement, tel. 0208 753 2284.

## **12 SOCIAL VALUE CONSIDERATIONS**

12.1 The Public Services (Social Value) Act 2012 is statutory for contracts for services. However, the H&F Policy includes social and economical value being sought in other types of contracts for concessions, works and supplies.

12.2 Social value shall be included in the contract awarding criteria. According to section 6 in the Appendix, this has not been considered. Social value should therefore form part of the awarding criteria, regardless of the length of the contract.

12.3 Implications completed by: Andra Ulianov, Procurement, tel. 0208 753 2284.

### **13. IT IMPLICATIONS**

13.1 There are no ICT implications identified by the SRT

13.2 Implications verified/completed by: Veronica Barella Chief Information Officer tel. 0208 753 2927.

### **14. RISK MANAGEMENT IMPLICATIONS**

14.1 Many high rise residential buildings (HRRB) in the borough have a single staircase to enable evacuation and firefighting in the event of an emergency. The Dame Judith Hackitt review of fire safety and building regulations categorises residential buildings of 10 or more storeys (HRRB) as being of significance owing to their higher risk. Therefore, more layers of protection must be afforded to protect residents. Providing another route of evacuation and enabling firefighters to safely fight fire effectively are key layers of additional protection.

14.2 Local Government Association Guidance, Fire Safety in Purpose Built blocks 2001, (S 70.11) says: 'many older and disabled residents will find it difficult to use stairs in the event of a fire and additional measures may need to be considered, if lifts are provided, where reasonably practicable, consideration should be given for the provision of evacuation lifts'. To that extent and in mitigation the contract includes for a resident liaison officer to be posted on site throughout the construction period to provide assistance to residents with their shopping and transporting of heavy loads via the stairs. The resident liaison officer will also deal with complaints and resident queries daily between the hours of 9am – 5pm (Monday to Saturday).

14.3 Implications verified by Michael Sloniowski Risk Manager, tel. 0208 8753257.

### **15. OTHER IMPLICATIONS**

15.1 Details of any specific implications relating to property, business intelligence, health and wellbeing, Section 106 and PREVENT are set out in Appendix 1.

### **16. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name and contact details of responsible officer</b>	<b>Department/ Location</b>



	None		
--	------	--	--

**LIST OF APPENDICES**

Appendix 1- Business Case & Procurement Strategy Report

**REPORT RELATING TO BUSINESS CASE & PROCUREMENT STRATEGY FOR HOUSING LIFT MODERNISATION PROGRAMME**

**BUSINESS CASE**

**1. BUSINESS CASE – WHY THE PROCUREMENT IS NEEDED**

- 1.1 There is a total of 216 lifts across the housing portfolio, of which 193 have been scheduled for modernisation as part of a multi-year programme which started in earnest during 2011. 140 lifts have been completed to date, with a further 4 currently being modernised as part of a live contract. 9 lifts are the subject of separate tenders. This strategy covers the remaining 40 lifts (39 passenger lifts plus a single goods lift).
- 1.2 The lifts proposed for modernisation are generally nearing or past their recommended life and need to be renewed to ensure a reliable service for residents.

**2. FINANCIAL INFORMATION**

- 2.1 The 2018/19-2021/22 Capital Programme approved at Budget Council on 27th February 2018 includes a total budget envelope of £10.5m for lift schemes as per the cashflow detailed below: This includes the 9 lifts which are subject to a separate tender.

2018/19	2019/20	2020/21	2021/22	Total
£4,100,000	£4,250,000	£1,650,000	£500,000	£10,500,000

- 2.2 The envelope will be subject to change as annual allocations are approved.
- 2.3 Given the need for a new procurement process this cashflow will be revised in line with revised delivery timescales. Annual budgets for lift modernisation will be subject to amendments (as required to reflect significant changes in housing resources) to the HRA Business Plan Financial Model.

**3. OPTIONS APPRAISAL AND RISK ASSESSMENT**

**3.1. Option 1 – Do nothing**

- 3.1.1 The lifts proposed for modernisation are generally nearing or past their recommended life of 25 years. In the event of breakdown parts become increasingly difficult to source leading to lifts being out of service for prolonged periods. The investment is therefore essential to ensure the lifts remain safe and reliable.

### **3.2 Option 2 – Procure One Contractor for the whole programme**

3.2.1 It is not considered appropriate because it leaves the Council vulnerable if the contractor fails to perform or encounters business difficulties.

### **3.3 Option 3 – Use an existing national framework to deliver the contract**

3.3.1 The SRT have considered various existing frameworks but felt that these did not contain a sufficient number of suitable contractors.

### **3.4 Option 4 – Recommended Option – Go out to tender on a phased basis for a series of contracts that sees a number of locations grouped into each contract**

3.4.1 This is the preferred option. Lift modernisation is a very specialist area with a limited number of contractors and a reliable supply of labour is a particular issue. A phased approach will give the council greater control over the programme and will allow value for money to be more easily demonstrable, particularly to leaseholders. It also ensures that the Council's own resources are not deployed across a large number of projects onsite at once. However grouping each site with others does allow for some economies of scale.

## **4. THE MARKET**

4.1. The market for modernisation of social housing lifts is limited but competitive. Previous procurement exercises undertaken by the council have generated interest from up to seven contractors. The Council has in the past had constructive dialogue with contractors before inviting tenders about refinement of specifications and this practice will continue.

4.2. The proposal to run a series of tendering exercises will allow the council an opportunity to continually review its specification, programme requirements, and award criteria.

## **PROCUREMENT STRATEGY**

### **5. CONTRACT PACKAGE, LENGTH AND SPECIFICATION**

5.1. Contract Package: The proposed 7 contract packages are detailed at para 9.1. They will be procured in three phases as set out in sections 9 and 13 below. The contracts will be based on the terms and conditions of the Model Form of General Conditions (MF1). All relevant standard performance & delivery measurements will be included in each contract. The contracts will be reviewed and amended, if necessary, by Legal Services prior to publication of opportunity.

5.2. Length of contract: Each contract will be specific to a number of sites with the commencement date, date to be on site and site completion date all

included as part of the specification. A provisional timetable for the procurement and start on site is provided at para 13.1

- 5.3. Specification: Specification has been finalised by the relevant team and all documentation are ready for publication.
- 5.4. A series of KPIs will be incorporated into the contract which will measure how well a contractor is performing. They will include such things as achieving key milestones on time, compliance with CDM regulations adherence to health and safety matters and resident satisfaction
- 5.5 The defects liability period is 12 months after which the lift is maintained as part of the lift maintenance contract. Certain main components are covered by the manufacturers guarantee.

## **6. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFITS**

- 6.1 The proposed contracts will be time limited and therefore the application of social value principles becomes more difficult to achieve. However, the tender process will require bidders to provide details of their corporate social responsibility policy and how it will be implemented in Hammersmith and Fulham. In addition, contractors will be required to use local labour and apprentice schemes where possible and this will form part of the quality assessment criteria.

## **7. OTHER STRATEGIC POLICY OBJECTIVES**

- 7.1 The Housing Capital Programme seeks to meet the corporate strategic objectives of improving the quality of the Borough's Housing stock. The lift modernisation programme will provide safe, reliable lifts for residents.
- 7.2. The energy efficient new equipment used in modernised lifts will contribute to the council's aim to create a cleaner, greener Borough. The new drive machines come with variable frequency motors, the proposed new lifts control systems are equipped with Eco-friendly facilities, which at given times shut down unwanted circuits, such as car lighting, fans and power factors, which will all resume back to normal functions upon call demand, thus saving energy usage

## **8. STAKEHOLDER CONSULTATION**

- 8.1. There will be ongoing consultation with residents to explain the nature and scope of the works, programme, and timescales. Residents will be written to explaining the process and any impact on them after this report is approved. Residents will receive further correspondence prior to work starting on site, updating them regarding the programme, the scope of works and the level of support in place for residents from officers within the Planned Maintenance Team.

Extensive consultation with all affected residents will be carried out through the Resident Representative Forum, the Leaseholder Panel and Fire Safety Plus Residents Advisory Group (FRAG) and nearer the time meetings with individual tenant and resident associations.

Careful planning will take place to identify any vulnerable residents particularly in blocks with only one lift who may need to be re-housed during the works.

The additional costs of creating fire fighting lifts will not be passed on to leaseholders and will be accommodated from the Borough wide fire safety budget.

- 8.2 All relevant Leasehold consultations before, during and after the tender exercise will be strictly adhered to in accordance with legislation and the Council's policy on consultation. Notice of Intention (NOI) as part of the consultation process, will be sent out to all affected leaseholders within the borough. As part of on-going consultation process Section 20 notices (Notice of Proposal), will be sent out to affected leaseholders prior to contract award following a tendering exercise. In addition, separate meetings will be held with leaseholders before works start on site.

## 9. PACKAGING OF THE DIFFERENT CONTRACTS AND PROCUREMENT PROCEDURE

- 9.1. It is proposed that the remainder of the lift modernisation programme will be formed of 7 contract packages across 3 phases as below:

Contract	Blocks	No. Lifts	Estimated Value
1	Linacre Court; Standish House; Verulam House	5	£1,078,000
2	Herbert Morrison House, Michael Stewart House	4	£902,000
3	Henrietta House, Joanna House College Court	4	£810,000
	<b>Value of phase 1</b>		<b>£2,790,000</b>
4	Batman Close, Kelmscott Gardens, The Grange (Goldhawk Road), Mackay House	8	1,220,000
5	Glenallan House, Mortimer House, Pelham House, Rainville Court	6	£858,000
6	Pearcroft Court, Seagrave Lodge, Wheatsheaf Lane	5	£576,000
	<b>Value of phase 2</b>		<b>£2,654,000</b>
7	Bush Court, Shepherds Court, Woodford Court, Roseford Court	8	£2,156,000 (phase 3)
	<b>Value of phase 3</b>		<b>£2,156,000</b>

<b>Total</b>		<b>40</b>	<b>£7,600,000</b>
--------------	--	-----------	-------------------

- 9.2 The procurement of each contract will be carried out using the Open Procedure via capital esourcing. Each phase will be advertised using a single advert for that phase. The value of the contract within that phase will need to be aggregated for the purpose of assessing whether the EU procurement rules apply. Because each phase has a value that is less than the EU threshold for works of £4,551,413 then it appears that no phase will need to be advertised under the EU rules, however it will be necessary to keep this under review, especially if the timetable for any phase slips and is advertised at a similar time as the next phase. On the assumption that the value of each advertised phase is below the OJEU procurement threshold for works, it will not be a regulated procurement, however, the Council will ensure the process is fully compliant with the principles of openness and transparency and all packages will be procured using the same procedure.
- 9.3. The Open procedure involves a one stage process as there is no pre-selection stage. Any organisation can apply through the Council's e-tendering system for a full tender pack and they will have an opportunity to submit a tender. The evaluation will be carried out for all tender submitted.
- 9.4. Under the Open procedure, there is still an opportunity to check tenderers eligibility against minimum standards of technical and financial standing, however, all evaluation (eligibility & tender), will be done in a one stage process and at the same time. The benefit of an open procedure, is that it reduces the procurement timeline. It is suitable where the market is relatively limited, as is the case with this procurement.
- 9.5. Tenders will be formally evaluated by a Tender Appraisal Panel (TAP). Individual panel members will score the tenders independently. After the scoring has been completed, a moderation meeting will be arranged for the TAP to agree the final moderated scores. The successful bid will be based on the combined score of quality and price.

## **10. CONTRACT AWARD CRITERIA**

- 10.1 Each contract will be awarded to the most economically advantageous Tender based on a combination of price and quality. Tenderers for each contract will be evaluated based on their Quality submission (Method statement) and Price (Commercial) submission. The ratio used will be 60% Quality and 40% Price.
- 10.2 There will be two stages to the evaluation of the quality criteria.
- 10.3 Stage 1 – Compliance: Each Tender must achieve a minimum level of acceptability as defined by the compliance standards set out in the table 1 below. The Authority reserves the right to reject without further discussion any Tender which does not meet the compliance standards.

**Table 1: Compliance**

<b>Compliance Standard</b>	<b>Rationale</b>
Compliant and bona fide Tender	Each Tender shall be checked to ensure that there is no material breach of ITT conditions; that the Tender is complete; that there is no collusion or corruption or anti-competitive behaviour; and that all required information is provided.
Legal Acceptability	Each Tender shall be checked to ensure that there is no legal impediment to the Authority entering a contract with the successful Tenderer in the Authority's form eg conflict of interest.
Complete Tender	Each Tender shall be assessed as to whether the Tenderer has confirmed that it is able to provide the Services as detailed within the Service Specification.

10.4 Stage 2 – Quality award Criteria (Technical Envelope in Capitaesourcing): Quality will be assessed on the basis of a Tenderer's written submissions in the Technical Envelope to the award criteria as set out below in Table 3.

10.5 The scoring table is set out in Table 2 below. Each response to the award criteria will be marked out of a possible score of 5. The scoring will be based on the general principles and descriptions shown in Table 2 below. A Tender must score 2 or above for each of the criteria otherwise it may be rejected.

**Table 2: Zero to 5 Marking Scheme**

<b>Score</b>	<b>Rating</b>	<b>Criteria for Awarding Score</b>
0	Unacceptable (fail)	The information is omitted/no details provided, or irrelevant answer provided
1	Poor (fail)	The Authority has serious reservations that the Tenderer understands the requirement in the question. The proposal provides very limited evidence and assurance that the relevant aspect of the service would be delivered to the expected

Score	Rating	Criteria for Awarding Score
		standard and there are serious doubts about aspects of the response.
2	Fair	The submission is superficial and generic in its scope. The Authority has some reservations that the Tenderer understands the requirement in the question. The proposal provides some limited evidence and assurance that the relevant aspect of the service or requirement would be delivered to a satisfactory standard.
3	Satisfactory	The Authority is reasonably confident that the Tenderer understands the requirement in the question and the proposal provides some satisfactory evidence and assurance that the relevant aspect of the service or requirement would be delivered to a satisfactory standard.
4	Good	The submission is robust and well documented. The Authority is confident that the Tenderer understands the requirement in the question and the proposal provides good evidence and assurance that the relevant aspect of the service or requirement would be delivered to a good standard in full compliance with the contract requirements, and potentially exceeding such standards in some areas.
5	Excellent	The proposal is innovative and adds value. The Authority is completely confident that the Tenderer understands the requirement in the question and the proposal provides very good evidence and assurance that the relevant aspects of the service or requirement would be delivered to an excellent standard in excess of the contract standards in many areas.

10.6 The Quality section of the Tender has sub-sections as follows:

Table 3

Section	Total weighting	Element weighting



Technical	30%	Methodology	15%
		Resources	15%
		(on this contract)	
Service delivery	30%	Flexibility	10%
		Communication	10%
		Innovation/Added Value	10%
Customer Care	20%	Satisfaction	10%
		Complaints Procedure	10%
Environment	10%	Energy Savings	5%
		Disposal of waste	5%
Social Value	10%	Local jobs	5%
		Apprenticeships	5%
<b>Total Quality (out of 100% - is then adjusted to represent 60% of overall score)</b>	<b>100%</b>		

- 10.7 After completing their individual scoring exercise, members of the evaluation team will meet and consider each Tender and a consensus on scoring for each Tenderer's responses to the award criteria will be reached.
- 10.8 If during the evaluation team's consensus meeting a Tender is scored 2 or less for a response to any of the award criteria the Tender may not be further considered.
- 10.9 For those Tenders which at the evaluation team's meeting score 2 or above for all responses to the award criteria the evaluation will proceed.
- 10.10 Each score for a response to an award criterion will be multiplied by the relevant sub-weighting to arrive at a weighted score. Weighted scores will be added together to produce a total score out of 100. The overall quality weighting of 60% will then be applied.
- 10.11 **PRICE (COMMERCIAL ENVELOPE IN CAPITALSOURCING):**  
The Tender with the lowest total sum will automatically score 100% of the price element in the Commercial Envelope. Thereafter each other Tender is compared against the lowest priced Tender in accordance with the following formula to arrive at a score to one decimal point:

$$(A \div B) \times C = X$$

Where:

A = the lowest submitted price of all Tenders

B = the total price submitted by Tenderer

C = the maximum percentage score i.e. [            ]

X = the score for Price

10.12 Based on a notional figure of £60,000 for the lowest Tender price and using the formula set out in paragraph 3.1 above the Commercial Envelope score for price would be as set out below and then weighted by 60% and awarded as follows:

TENDERER	PRICE	SCORE AWARDED (X)
1	£60,000 (A)	100%
2	£70,000 (B)	86%
3	£80,000 (B)	75%
4	£90,000 (B)	67 %

### 10.13 **COMPILATION OF PERCENTAGES AWARDED FOR QUALITY AND PRICE**

The percentages awarded to each Tender for the Price (Commercial Envelope) and Quality (Technical Envelope) elements of the evaluation are added together to arrive at the most economically advantageous Tender i.e. the Tender with the highest total percentage awarded.

## 11. **PROJECT MANAGEMENT AND GOVERNANCE**

### 11 PROJECT MANAGEMENT

12.1. The SRT has been led by the Head of Mechanical and Electrical, Growth and Place reporting to the Strategic Head of Property services. The team includes lift engineers, legal and procurement officers, and representatives from housing's asset management and leasehold services teams.

12.2. Tender Appraisal Panels will be established for individual tendering exercises as required.

### 13 INDICATIVE TIMETABLE

13.1 The table below provides an indicative timetable for each phase of works:

Milestone Phase 1, Contracts 1, 2 and 3	Date
Notice of Intent to Leaseholders	September 2018
Expiry of Notice of Intent	October 2018
Cabinet Approval, Procurement Strategy	October 2018
Invitation to Tender	November 2018
Contract Finder Notice	November 2018
Tender Return	December 2018
Tender evaluation	January 2019
Cabinet Member Approval, Tender Award	January 2019


Notice of Estimates to Leaseholders	January 2019
Expiry of Notice of Estimates	February 2019
Letter of Acceptance	February 2019
Sign Contract	February 2019
Award Notice, Contracts Finder	February 2019
Start on Site	July 2019
Completion	June 2020
<b>Milestone Phase 2, Contracts 4,5 and 6</b>	<b>Date</b>
Cabinet Approval, Procurement Strategy	October 2018
Notice of Intent to Leaseholders	February 2019
Expiry of Notice of Intent	March 2019
Invitation to Tender	April 2019
Contract Finder Notice	April 2019
Tender Return	May 2019
Tender evaluation	June 2019
Cabinet Member Approval, Tender Award	June 2019
Notice of Estimates to Leaseholders	July 2019
Expiry of Notice of Estimates	August 2019
Letter of Acceptance	September 2019
Sign Contract	September 2019
Award Notice, Contracts Finder	September 2019
Start on Site	January 2020
Completion	July 2021
<b>Milestone Phase 3, Contract 7</b>	<b>Date</b>
Cabinet Approval, Procurement Strategy	October 2018
Notice of Intent to Leaseholders	February 2020
Expiry of Notice of Intent	March 2020
Invitation to Tender	April 2020
Contract Finder Notice	April 2020
Tender Return	May 2020
Tender evaluation	June 2020
Cabinet Member Approval, Tender Award	July 2020
Notice of Estimates to Leaseholders	July 2020
Expiry of Notice of Estimates	August 2020
Letter of Acceptance	September 2020
Sign Contract	September 2020
Award Notice, Contracts Finder	September 2020
Start on Site	January 2021
Completion	December 2022

#### **14. CONTRACT MANAGEMENT**

14.1 The contracts will be managed by LBHF's Senior Technical Lift Engineer and Quality Assurance Engineer along with the appointed contractor's Field Project Manager. They will monitor progression and quality of installation

through bi-weekly and monthly site meetings, these meeting will be logged along with the Senior Engineer's weekly site inspections. Internal progress meetings will be scheduled to allow formal reporting to the Head of Mechanical and Electrical Service, Growth and Place.

- 14.2 The Senior Technical Lift Engineer will raise all project contract documentation for change control i.e. Variation Orders/Engineers Instructions etc.
- 14.3 The Senior Technical Lift Engineer will complete periodic valuations and authorise payment certificates in accordance with the contract.
- 14.4 There will be pre-handover inspection surveys to ensure that work has been carried out to specification, and to a satisfactory standard of workmanship, prior to the lift installation being accepted from the lift contractor. During the final testing of a
- 14.5 On completion of the project (or project phases), the lift engineer will raise Sectional Practical Completion Certificate and Final Certificate of Practical Completion.
- 14.6 An End of Defect Liability Inspections survey will ascertain whether the lift has been maintained correctly during the 12-month defect period and that there are no outstanding items that need to be addressed by the lift contractor.

<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>CABINET</b></p> <p style="text-align: center;"><b>8 OCTOBER 2018</b></p>	
<p><b>DELEGATED DECISION TO INCREASE INVESTMENT IN PRIVATE RENTED SECTOR ACCOMMODATION TO REDUCE NUMBERS IN TEMPORARY ACCOMMODATION</b></p>	
<p><b>Report of the Cabinet Member for Housing: Councillor Lisa Homan</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For Decision</b></p>	
<p><b>Key Decision: Yes</b></p>	
<p><b>Consultation: Procurement, Finance, Legal, IT, Risk, Commercial, Equalities</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Director: Jo Rowlands, Strategic Director for Growth and Place</b></p>	
<p><b>Report Author:</b> William Shanks, Delivery Manager</p>	<p><b>Contact Details:</b> Tel.: 020 8753 6007 Email: <a href="mailto:william.shanks@lbhf.gov.uk">william.shanks@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1 For many years the Council has been brokering private rented sector accommodation for households faced with homelessness, as an alternative to entering Temporary Accommodation. In 2017/18, the Council brokered private rented sector accommodation for 150 households, (70% of which were out of borough), and began 2018/19 with a target to increase this to 200 a year.
- 1.2 Given that 628 households entered TA in 2017/18, and the total cohort in TA is 1,440, Direct Lets are only offered to a minority of households.
- 1.3 This report seeks to extend the practice. It seeks approval to invest £900k from the Temporary Accommodation Earmarked Reserve to secure 300 additional private rented sector properties (Direct Lets) over the next two years for the purposes of preventing homelessness or enabling households to exit Temporary Accommodation. This will still be a targeted approach, based on finding the households best able to live in the private rented sector, rather than a blanket approach for all homeless households.

- 1.4 The expectation is that this will reduce accommodation costs by c£2.1m over four years (£2.33 for every £1 invested) by avoiding expensive rental costs of short-term leased properties. This will help mitigate the impact of reducing government grants for TA (anticipated to total at least £4.2m and potentially up to £9.3m cumulative over the next four years). Doing nothing is not an option – the level of inflow into TA, and overall size of the cohort in TA, is not financially sustainable.
- 1.5 To support this investment, it is recommended that three additional measures be introduced to further encourage voluntary acceptances of Direct Let offers: clearer and more positive messaging to promote the Private Rented Sector at the front line, a new PRS Team to support households into the Private Rented Sector, and a change to our Housing Allocation Scheme so that households who accept offers of Direct Lets are not penalised with exclusion from the Housing Register.

## **2. RECOMMENDATIONS**

- 2.1. That approval be granted for £900,000 to be invested from the Temporary Accommodation Earmarked Reserve to secure 300 additional private rented sector properties (Direct Lets) over the next two years.
- 2.2. That approval be granted for the service to pilot a dedicated PRS team for six months. The team will work intensively with different cohorts and trial different support offers so as to build the capacity of the service to encourage more households to accept Direct Let offers.
- 2.3. That approval be granted to change the Housing Allocation Scheme to enable officers to backdate a household's start date on the register to the date of the original Homelessness Duty acceptance, when households are subsequently accepted as Homeless within three years of having accepted an offer of a Direct Let. This change can be made by Cabinet Member authority.
- 2.4. That Cabinet notes the risk to the General Fund of up to £9.3m over the next four years which arises solely from reductions in Government grants.

## **3. REASONS FOR DECISION**

- 3.1 Compassionate Council:
- 3.2 Compassion is about equipping people to live independent lives. Many households seeking Temporary Accommodation will have been living in the Private Rented Sector for years until they encountered a crisis – unemployment, arrears, family breakdown, mental health issues, substance abuse, etc. The compassionate response must be to help households tackle the root causes of the crisis, and help them to return to independent living – rather than to consider them to be permanently vulnerable and take them out of the private housing market for good.

3.3 Ruthlessly Financially Efficient:

- 3.4 The number of households in Temporary Accommodation (1,440) is unsustainable. It has risen 18% since April 2016 at a time when the London average has increased by 5%. The Homelessness Reduction Act threatens to increase front door demand even further, as a wider range of households are now entitled to advice and prevention services, and once in the system there is a risk that they will be accepted into Temporary Accommodation even if they do not meet the Priority Need criteria.
- 3.5 Increased demand forces us to use the most expensive forms of TA. The 17/18 and 18/19 budget positions are flattered by the receipt of one-off and short-term Government grants – the underlying trends are an increase in costs.
- 3.6 Deficits are set to increase significantly in 2019/20 when Government grants are expected to be £1.1m lower than 2017/18.
- 3.7 Funding beyond 2019/20 has not been set by the Government, but there is a real risk of further reductions which in the worst-case scenario would mean that grants are £4.2m lower than 2017/18 from 2020/21 onwards.
- 3.8 Unless demand can be controlled and the number of households in TA reduced to offset the impact of these grant funding reductions, the service will need to be subsidised to a much greater extent from the General Fund. The potential impact on the General Fund solely in terms of the reductions in grant funding is expected to be between £4.2m and £9.3m over the four years from 2018/19. These two scenarios are shown in the table below. The table shows the grant allocations that have been confirmed by Government up to and including 2019/20.

Temporary Accommodation Grants	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total Grant Income Loss
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
MHCLG Homelessness Prevention Grant - Trailblazer	85	240	279				
MHCLG Flexible Homelessness Support Grant	0	3,527	3,381	2,805			
DWP Universal Credit Local Authority Universal Support Grant	0	99	90				
MHCLG New Burdens Grant - Homelessness Reduction Act	0	225	206	195			
DWP UC New Burdens Funding	0	0	71				
<b>All Temporary Accommodation Grants</b>	<b>85</b>	<b>4,091</b>	<b>4,027</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	
<b>Loss of Grant Income relative to 2017/18</b>							
<b>Worst Case Scenario</b>			<b>(64)</b>	<b>(1,091)</b>	<b>(4,091)</b>	<b>(4,091)</b>	<b>(9,337)</b>
Assuming known 2019/20 allocations only reduce by 10% each year in future					2,700	2,430	
<b>Best Case Scenario</b>			<b>(64)</b>	<b>(1,091)</b>	<b>(1,391)</b>	<b>(1,661)</b>	<b>(4,207)</b>

- 3.9 The incentives to secure Direct Lets are expected to avoid costs of £2.1m over four years, when Government funding may reduce by between £4.2m and £9.3m in the same period.
- 3.10 This initiative alone will not reduce the number of households in TA, and therefore costs, sufficiently to cover the loss of Government funding.
- 3.11 Why we need more Direct Lets:
- 3.12 Given that the flow of households from TA into our social housing stock is not going to increase, the most direct and reliable way to reduce the number of households in TA is to enable households to live in the Private Rented Sector rather than TA accommodation. The law permits the Council to discharge its homelessness duty if it can broker private sector tenancies that are affordable and suitable to the households needs.
- 3.13 The Council brokered 150 such tenancies (called Direct Lets) in 2017/18, all offered to households at the front door as an alternative to entering TA. If it had not done there would be 150 more households in TA right now.
- 3.14 If the number of households in TA is to reduce to a financially sustainable number, there is an urgent need to procure significantly more Direct Lets. This is possible – there are other Councils that procure 300, 400, even 500 Direct Lets a year (see appendix 4 for details, including a case study of Camden’s TA strategy).
- 3.15 There is a cost associated with Direct Lets as landlords almost always require a cash incentive in order to offer rent that is affordable to TA households



(usually well below market rents). This cost can be dwarfed by the savings generated by avoiding the cost of the household staying in TA (our reliance on expensive short-term leases means that TA accommodation can be very costly to the Council). So these incentives are 'cost avoidance payments' from the Council's perspective.

- 3.16 Direct Lets are therefore an effective means of reducing the cost of TA, but they require resources to be invested up front.
- 3.17 Why we need additional measures to encourage households to accept Direct Lets:
- 3.18 Whenever we offer a Direct Let to a household, it has been assessed as being affordable per the household's income, and suitable to their needs. However, at present, households can refuse an offer of a Direct Let (they are completely voluntary) and many do. They will be taken into TA instead.
- 3.19 This is not due to differences in living conditions. From the household's perspective there is little difference in the experience of living in a Direct Let and living in TA accommodation the Council has leased from a private landlord. Both forms of accommodation come from the same sector and the same landlords. However, our current policies provide a strong incentive to refuse a Direct Let and go into TA: households in TA are accepted onto the housing register and will eventually be offered social housing (with future Right To Buy rights etc) whereas households who accept a Direct Let will be deemed to be adequately housed and not accepted onto, or removed from, the register. Households motivated to acquire a Council House will therefore not accept a Direct Let.
- 3.20 The disincentive is that households that refuse a Direct Let will likely spend a long time in TA – 25% of those who move out of TA into social housing have spent more than 5 years in TA. Many singles will spend a long time in B&B accommodation. Across the country, the health and wellbeing outcomes for households in TA are much worse than average. Households may not be aware of these disincentives though – there are not communicated on our website and there are no standard messages for front line officers.
- 3.21 Refusal of Direct Lets means that officers spend time making multiple offers when they could be procuring more Direct Lets. It also risks alienating landlords – who will withdraw their offer of a Direct Let if it is not filled quickly.
- 3.22 We are proposing to introduce much clearer and positive messaging around Private Rented Sector accommodation at the front line. Direct Lets will be positioned as the default best choice for households.
- 3.23 We also propose to pilot a dedicated team to work with selected households to build their enthusiasm and capacity to live in the private rented sector and then match them to the most suitable Direct Lets. This Move On Team will work with different cohorts to establish which groups are responsive to different messages and offers of support. The goal is to establish what is

preventing clients from voluntarily moving into the PRS and working past those barriers.

Target groups are expected to include:

- families who are working and whose children are not at a key educational stage;
- singles with no support needs, and;
- families and singles with no support needs living in other boroughs.

The team will identify suitable households, explain the options available to them, set up viewings, negotiate with landlords and provide settlement support once they are in their new property.

- 3.24 Currently there is only a single officer with a dedicated role supporting households to accept Direct Lets. This officer has largely been focused on offering Direct Lets to no-duty cases (where the Council never had a duty to accommodate the household – see appendix 3). The experience has been that it requires 3.5 offers to achieve one acceptance. The purpose of introducing a dedicated PRS *team* is not just to increase the number of households that can be worked with, but to find ways of reducing this offer to acceptance rate.
- 3.24 We believe the key to encouraging households to accept Direct Let offers is to address the current imbalance of incentives whereby acceptance of a Direct Let leads to the household being excluded from the Housing Register and the prospect of future social housing. We propose that, after a household accepts a Direct Let, if their tenancy breaks down within 3 years, and the household presents again as homeless (through no fault of the household i.e. not ‘intentionally homeless’), the household will have the option to enter Temporary Accommodation and hence the Housing Register, with their start date on the register backdated to the first homelessness application before they accepted the Direct Let. The consequence will be that accepting a Direct Let will not cause the household to wait longer on the Housing Register if they later enter into Temporary Accommodation.
- 3.25 Households that remain in the PRS for more than three years without becoming homeless again, will remain off the Register, and if they do subsequently become homeless will not have their start date on the register backdated. There needs to be a time limit on this backdating clause – else you might have a household having their start date backdated ten years (pushing them to the top of the register) because they accepted a Direct Let ten years ago. Three years is felt to be a reasonable time limit. To be clear, households can of course be accepted into TA and onto the Register after three years – they just won’t have their start date back dated.
- 3.27 A number of London Councils have policies that ensure households that accept Direct Lets remain on the Housing Register. Hounslow allows households to join/stay on the Housing Register at the same band they would have been on when in TA. Instead of paying for five years of TA and then

offering a council house, the household is connected with a suitable, affordable Direct Let and must maintain themselves in the Private Rented Sector for five years...and then are offered a council house. This method has the same result, but with much less cost for the council.

Other Councils (e.g. Camden, Croydon and Lambeth) actually incentivise households to seek out their own or accept Direct Lets by prioritising them on the register – giving them additional ‘points’. The purpose of all the above policies is to incentivise clients to voluntarily take Private Rented Sector accommodation, which leads to less demand on the Council and minimising costs.

Such policies are difficult to implement in Hammersmith and Fulham while the Housing Allocations Scheme is based entirely on the principle of housing need, or being ‘adequately housed’. Other Councils have clearly introduced other principles that enable households that are adequately housed in the PRS to remain on their Housing Register. Our ‘backdating’ proposal maintains the principle that adequately housed households will not be on the Housing Register while providing reassurance to households that they will not ‘regret’ accepting a Direct Let, if in future, they become homeless again.

### 3.26 Prevention:

3.27 In addition to greater use of Direct Lets, facilitated by clearer messaging, a PRS team, and changes to the Housing Allocations scheme, the service must become highly effective at homelessness prevention, particularly for the singles and under 35s that make up a significant part of our demand but that we struggle to find cost effective accommodation for. The service has launched a one-year programme which will:

- develop online advice products
- enable self-referral with effective triage
- agree ways of working with partners that enable earlier intervention
- develop interactive personal housing plans, that link households to support services and help them take action to address their problems
- develop a specialist pathway for under 35 singles
- improve our Supported Accommodation pathways so more singles achieve independent living

3.28 Investing in Direct Lets now would create space for this programme to develop best practice prevention services and reduce the demand for Temporary Accommodation.

## **4. PROPOSAL AND ISSUES**

### 4.1 Proposal – procure 300 additional Direct Lets:

4.2 It is proposed to procure an additional 300 Direct Lets over the next two years: 50 more in the remainder of 2018/19 and 250 more in 2019/20.

- 4.3 Households will be offered properties in line with our existing placement policies, which lay out the criteria for in-borough and out-of-borough placements. The criteria cover things like current employment, medical provision and child education. All placements will be within the boundary of the M25.
- 4.4 In 2017/18, 30% of Direct Lets were within Hammersmith and Fulham. 68% were in other London Boroughs (mainly in the West and East with 25% in Ealing alone). 2% were placed outside of London as these households wished to move out of the Capital. Appendix 5 shows the location of the Council's Temporary Accommodation stock – 43% of which is in borough. A household placed in a Direct Let is therefore less likely to be placed inside Hammersmith and Fulham than a household placed in Temporary Accommodation, but the difference is not great.
- 4.5 If these percentages were maintained, the proposal to procure an additional 300 Direct Lets would mean that 210 additional households would be placed outside of the borough. The alternative, of 300 households going into (or staying in) TA, would mean 171 additional households being placed outside the borough – so the impact of this proposal might be as little as 39 additional households being placed out of borough.
- 4.6 It is important to stress that the reason for the majority of Direct Lets being out of borough is that they need to be affordable for the household. The aim is to give the household the best chance of sustaining an independent life in the private rented sector. It might be that to find 300 affordable, sustainable Direct Lets, a higher proportion of Direct Lets are located out of borough, than the 70% experienced in 2017/18.
- 4.7 The table below shows the cost and cost avoidance implications the proposed increased Direct Let procurement. The table includes a best and worst-case scenario for the reduction in government grants relative to 2017/18:

Financial Year	Additional DLs*	Cost of DLs	Cost avoided (from fewer PSLX)	Best Case Scenario: Reduction in grant anticipated (relative to 17/18)	Worst Case Scenario: Reduction in grant anticipated (relative to 17/18)
	Nos.	£000s	£000s	£000s	£000s
2018/19	50	150	37	64	64
2019/20	250	750	624	1,091	1,091
2020/21	-	-	1,013	1,391**	4,091**
2021/22	-	-	424	1,661**	4,091**
<b>Total</b>	<b>300</b>	<b>900</b>	<b>2,098</b>	<b>4,207</b>	<b>9,337</b>

\* A target of 200 Direct Lets has been set for 2018/19, with additional funding of £600k already drawn from reserves. It is assumed that this funding will continue in 2019/20. This paper is seeking authorisation for *additional*

reserves to be spent on top of the baseline 200 – an additional 50 in 2018/19, and an additional 250 in 2019/20.

\*\* Funding beyond 2019/20 has not been set by the Government – so these are assumed figures. The best-case scenario assumes that the Government funding levels at 2019/20 will reduce by 10% each year from 2020/21 and the worst-case scenario assumes that Government funding ceases from 2020/21.

- 4.8 There will be quarterly monitoring of benefits realisation. This will take place at the TA Reduction Programme steering board. Every quarter we will review the number and cost of Direct Lets being procured, the reduction in accommodation costs, and whether the assumptions detailed below are being realised. Action will be taken if costs are not being avoided to the extent, and at the rate, originally envisaged – including the option of reducing the procurement of Direct Lets.
- 4.9 See appendix 1 for the key assumptions behind this calculation.
- 4.10 Proposal – increase investment in Direct Lets:
- 4.11 Direct Lets cost LBHF an average of £2,153 in 2017/18. This is low compared other boroughs, who pay up to £4.5k for Direct Lets (two-year leases). It may be that our low rate has capped the number of units we can procure. In this paper, savings from Direct Lets have been calculated on the basis of the average cost being £3,000.
- 4.12 It is proposed that Housing Solutions be equipped with a higher budget per household with which to secure a successful Direct Let. This could be used to pay higher landlord incentives (it may be that to achieve a higher volume of Direct Lets, higher incentives will be necessary), or for other expenditure that will facilitate the move and enhance tenancy sustainment (e.g. moving costs, the costs of tenancy training or floating support). The average of £3,000 will be flexed according to household size – with a higher budget for larger families than for singles (just as the average current cost of £2,153 is an average of higher incentives for larger accommodation and lower incentives for one-bedroom accommodation).
- 4.13 Increasing the budget to an average £3,000 per household will make it more likely that the volume of Direct Lets required will be procured, tenancies will be sustained and the expected savings will be realised.
- 4.14 Proposal – offer Direct Lets to households already in TA:
- 4.15 The service may struggle to deliver 300 additional Direct Lets if it continues to only offer Direct Lets to households at the front door before they have entered TA. The service is currently piloting offers of Direct Lets to households who are already in TA, for whom to accept a Direct Let would be to exit TA. It is important that this pilot continues and builds our understanding of the cohorts who are best suited to Direct Let offers. Rather than an arbitrary division in our response to households at the front door compared to those already in TA, the

service should be applying the same criteria of affordability and suitability to all households. Indeed, households that have been in TA for years are perhaps more likely to be suitable for a Direct Let offer than households at the front door who may recently have experienced a crisis. Overreliance on Direct Let offers at the front door risks the affordability and suitability criteria being stretched.

4.16 Offering Direct Lets to households already in TA is common practice amongst the majority of London Boroughs. In 2017/18, 19 of the 33 boroughs recorded households in TA accepting an offer of private sector accommodation and exiting TA.

4.17 See appendix 2 for potential issues and mitigations for these proposals.

## **5. OPTIONS AND ANALYSIS OF OPTIONS**

5.1. Option 1: do not procure additional Direct Lets, pilot a PRS team, or make changes to the Housing Allocations Scheme (the status quo).

5.2. Option 2: procure additional Direct Lets but do not pilot a PRS team or make changes to the Housing Allocations Scheme.

5.3. Option 3: procure additional Direct Lets, pilot a PRS team and make changes to the Housing Allocations Scheme.

5.4 Analysis:

5.5 Option 1 has been rejected because maintaining the status quo will see the total number of households increase or, at best, remain at around 1,450. This would mean that the cost of providing Temporary Accommodation in 2018/19 would exceed the cost in 2017/18, while income from Government Grants has reduced by £64k in 2018/19. Failing to reduce the number of households in 2018/19 will mean a budget crisis in 2019/20, when Government Grants will be reduced by a further £1m. The grant funding available for 2020/21 and beyond is unknown so there is a risk of further reductions which could be as high as £3m a year.

5.6 Option 2 has been rejected because it is unlikely that the Council will be able to fill 300 additional Direct Lets over two years unless measures are taken to change our messaging around the Private Rented Sector, dedicate more resource to supporting households into the PRS, and change the balance of incentives. It is felt within the service that c150 a year is the limit of voluntary acceptances that can be achieved through the current approach and balance of incentives.

5.7 Option 3 was the chosen option because it enables the Council to significantly increase its investment in Direct Lets, confident that this will lead to a reduction in the number of households in TA and the delivery of the required savings. It will bring LBHF into line with other London Councils that procure more Direct Lets than we have historically, that dedicate more resource to

supporting households into the PRS, and that use their Housing Allocations Schemes to incentivise household to accept Direct Lets.

## **6. CONSULTATION**

6.1 It is not proposed that consultation be carried out on these proposals.

## **7. EQUALITY IMPLICATIONS**

- 7.1. As required under Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public-Sector Equality Duty and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Equalities Act, from the investment in private rented sector leases nor from the piloting of a PRS team.
- 7.2. The Council already has a policy of offering Direct Lets to households that become homeless, as an alternative to Temporary Accommodation. The proposal in this report is to extend this practice – procuring additional Direct Lets and offering them to households already in Temporary Accommodation as a means of exit from TA. Direct Lets will not be offered to all households – just to households that meet criteria around suitability and affordability (to sustain living in the private rented sector). Applying these criteria, and the possibility of Direct Lets offers, to all homeless households (regardless of whether they have just become homeless or have been in TA for years) is deemed to be a fairer approach than the current practice of only applying the criteria to households when they first approach the Council.
- 7.3. A crucial safeguard is the fact that the Equality Act 2010 and Homelessness (Suitability of Accommodation) (England) Order 2012 requires us to make sure that any property we offer (including in the PRS) has to be suitable, which takes into account the specific needs of the individual. This incorporates affordability, location, access to relevant services, an individual's ability to travel, etc. This is reviewable through the legislation, and is challengeable in law. This provides significant protection against the risk that the needs of different protected groups are not taken account of.
- 7.4. *Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.*

## **8. LEGAL IMPLICATIONS**

- 8.1 As per Part VII of the Housing Act 1996 the council owes a number of principal duties and can exercise a number of powers depending on the individual circumstances of an applicant who may be seeking assistance under the Housing Act 1996 as a consequence of being homeless or threatened with homelessness.
- 8.2 For the context of this report, the main duties include an interim housing duty under s188 and also a full housing duty under s193 of the Housing Act 1996. Further, case law will need to be considered when identifying properties to be offered to applicants to ensure that the properties offered are suitable taking

into account the specific circumstances of the homeless applicant. As mentioned in this report, the Homelessness Reduction Act 2017 (which came into force on 3 April 2018) further extended the council's duties to those threatened with homelessness. It requires that local housing authorities take "reasonable steps" to either maintain or secure accommodation for eligible applicants threatened with homelessness in 56 days or less ("the prevention and relief duties").

- 8.3. Under the Housing Act 1996, all housing authorities must have in place an allocation scheme for determining priorities, and the procedure to be followed in allocation housing accommodation. This report suggests changes to the council's Allocation Scheme.
- 8.4. Prior to making modifications to its Allocation Scheme, and pursuant to s116A(12) Housing Act 1996, the council must have regard to:
  - its current homelessness strategy
  - its current tenancy strategy
  - The London Housing Strategy

Further, where the council contemplates alterations to its Allocation Scheme which reflect a major change of policy, it must send a copy of the draft scheme or proposed alteration to every private registered provider of social housing and registered social landlord with which it has nomination arrangements, and allow such a reasonable opportunity to comment on the proposals.

- 8.5. *Legal Implications completed by: Patricia Rowe, Solicitor, tel.0208 753 2714.*

## **9. FINANCIAL IMPLICATIONS**

- 9.1. The investment of £900k will be funded from the Temporary Accommodation earmarked reserve.
- 9.2. The current balance available on the reserve after taking account of existing commitments including the 2018/19 payments for direct lettings cost avoidance incentive payments of £600k, is £2.460m.
- 9.3. Any expenditure in excess of the £900k will require additional approval in line with the Council's financial regulations and constitution.
- 9.4. The unit costs of the investment and returns will be closely monitored. As set out in paragraph 4.5 above there will be quarterly monitoring of benefits through the TA reduction programme Steering Board. In addition, the results of this quarterly monitoring will be reported through the Council's corporate revenue monitoring regime.
- 9.5. Approving the £900k investment will leave a balance of £1.560m on the Temporary Accommodation Earmarked Reserve.



- 9.6. It's important to remember that the "business as usual" annual cost avoidance payments for Direct Lettings incentives of £600k per year, which are assumed to continue in the above report, are not part of core budgets. They are also currently funded from this earmarked reserve.
- 9.7. So after deducting the £900k there will only be sufficient funds left in the Temporary Accommodation Earmarked Reserve to cover the "business as usual" cost avoidance payments for direct lettings for 2½ years (i.e. until mid-way through 2021/22).
- 9.8. The table in paragraph 4.4 forecasts that the level of Flexible Homelessness Support Grant and other related government grants will diminish by a total of at least £4.2m and potentially up to £9.3m (as Government has not confirmed that Flexible Homelessness Support Grant will continue in 2020/21) between 2018/19 and 2021/22.
- 9.9. At the same time, the investment of £900k is anticipated to avoid costs of £2.1m. This will leave an unfunded gap in the General Fund of between £2.1m and £7.2m from the loss of grant income.
- 9.10. The table below sets out the impact on the General Fund based on a scenario in which the cost avoidance savings are delivered from the £900k investment required by this report. In addition, the figures below assume:
- the annual drawdown of a further £600k for cost avoidance incentive payments for direct lettings from the Temporary Accommodation earmarked reserve continues until the reserve is exhausted in 2021/22
  - the loss of Government Grant as confirmed by Government for 2019/20
  - a complete loss of grant for the two following years as Government has not confirmed that the Flexible Homelessness Grant will continue, i.e. a worst-case scenario in terms of grant,
  - are based on current demand for temporary accommodation only (the rising trend in demand has not been factored in) and assume that the prevention and gatekeeping approach by officers is effective in preventing further costs and demand.
  - Takes into account the June 2018 revenue forecast

This scenario still results in a cumulative unbudgeted cost to the General Fund over four years of £7.1m, with an ongoing annual cost that has risen to nearly £4m by 2021/22.

- 9.11 The table also presents a summary of the best-case grant scenario assuming that Government do commitment to future funding, there has been no indication to date that they will do this.

<b>General Fund Impact</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Current Housing Solutions Net Expenditure Budget	7,605	7,214	7,214	7,214
Corporate Revenue Monitor Month 3 variance	(343)	0	0	0
Loss of Government Grant	0	1,091	4,091	4091
Requirement for cost avoidance payments following exhaustion of Temporary Accommodation reserve	0	0	0	240
<b>Net forecast expenditure (assuming no demand or procurement cost increases)</b>	<b>7,262</b>	<b>8,305</b>	<b>11,305</b>	<b>11,545</b>
Less: impact of increased investment in private rented sector (Direct Lets) accommodation	(37)	(624)	(1,013)	(424)
<b>Net forecast expenditure</b>	<b>7,225</b>	<b>7,681</b>	<b>10,292</b>	<b>11,121</b>
<b>Variance (underspend)/overspend: worst case grant scenario</b>	<b>(380)</b>	<b>467</b>	<b>3,078</b>	<b>3,907</b>
<b>Variance (underspend)/overspend: best case grant scenario (10% reductions)</b>	<b>(380)</b>	<b>467</b>	<b>367</b>	<b>1,466</b>

9.12 *Financial implications completed by: Danny Rochford, Head of Finance (Growth & Place), tel. 020 8753 4023.*

*Implications were verified by Emily Hill – Assistant Director (Corporate Finance), tel. 020 8753 3145.*

## 10. IMPLICATIONS FOR BUSINESS

10.1 No impact on local businesses.

10.1. *Implications completed by: Albena Karameros, Economic Development Team, tel. 07739 316 957.*

## 11. COMMERCIAL IMPLICATIONS

11.1. This report seeks approval for £900,000 to be invested for securing 300 additional private rented sector properties (Direct Lets). This approach, as explained in the report, will assist in controlling demand and reduce the number of households in TA.

11.2. Failure to control demand and increase in the number of households in TA could have a negative commercial impact on the Council's business as the service will need to be subsidised to a much greater extent from the General Fund.

11.3. The proposed approach will allow the Council to significantly increase its investment in Direct Lets. This will generate a reduction in the number of households in TA and the delivery of savings.

11.4. *Commercial implications provided by Andra Ulianov, Procurement, tel. 0208 753 2284.*

## **12 IT IMPLICATIONS**

12.1 There are no IT implications arising from this report.

12.2 *Implications completed by: Tina Akpogheneta, Strategic Relationship Manager, tel. 020 8753 5748.*

## **13 RISK MANAGEMENT**

13.1 Temporary accommodation is needed when a council has a statutory duty to accommodate a household. In 2017 The Local Government Association reported that the number of households approaching councils as homeless has been increasing as housing costs rise above incomes. For those priority need households that have nowhere else to go, councils have duties to provide accommodation. There is rising concern amongst local authorities about the increasing homelessness pressures being faced across the country. Many councils are finding it difficult to provide suitable accommodation for families facing homelessness at a cost that is sustainable.

13.2 The increasing unavailability of affordable housing further limits the options for councils trying to find settled and temporary accommodation for those that need it. As a country, local and national government spends significant levels of funding on temporary accommodation overall, and the net cost for councils has tripled in the last three years. This is unsustainable for councils, and disruptive for families. The picture for local government is difficult and changing fast. Some councils are losing millions of pounds per year on temporary accommodation, many others are facing challenges in needing to find more accommodation to meet rising homelessness demand.

13.3 Expenditure on temporary accommodation has been placing increasing demands on local authority general funds for some time, especially in London, but increasingly across the country as the unaffordability of private sector accommodation for people on low to median incomes, in receipt of housing benefit, has spread to more areas.

13.4 This Council, in managing this risk, is delivering inspiring and innovative work in line with our Council Priority, and acting so the most vulnerable among us are looked after.

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

## **14 BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

14.1 NA

## **15 LIST OF APPENDICES**

15.1 Appendix 1: Assumptions behind the financial impact calculations

Appendix 2: Potential issues and mitigations

Appendix 3: Case study – no duty households

Appendix 4: comparison to other London Boroughs

Appendix 5: location of H&F Temporary Accommodation

## **Appendix 1: Assumptions behind the financial impact calculations**

### Straight line impact:

Financial impact is calculated on a straight-line basis – i.e. it is assumed the 50 additional units in 2018/19 will be procured in tranches of 10 units per month between the 5 month period from November 2018 to March 2019. With each unit delivering 24 months of savings, it means that there is a 29-month window when savings from the 2018/19 units will be realised (the units procured in month 5 will stop delivering savings in month 29). April 2019 will then see the start of the additional 250 units to be delivered in 2019/20. It is assumed these will be procured in tranches of 20-21 units per month over a 12 month period, so there will be 41 months of savings realisation. The £2.1m of cost avoidance will therefore be delivered between 2018/19 and 2021/22.

It would be possible to realise the benefits earlier if more of the additional Direct Lets were procured earlier in 2018/19 and 2019/20. The service will strive to procure 300 Direct Lets as early as possible and look for opportunities to procure at scale with portfolio landlords.

### Direct Lets reduce the use of short term leases:

The savings calculation is based on financial data that shows that short term leases (PSLX) cost the Council an average of £68.58 a week (as at 12/07/2018). Direct Lets will save the Council £68.58 a week if they stop or prevent the use of PSLX.

Where Direct Lets are used to effect exit from TA, they will be targeted at households living in PSLX. 50% of TA units are made up of PSLX (742 units). PSLX landlords often demand higher rents or incentives and the service are in a weak position to refuse, given the short length of leases and the risk of having to rehouse households quickly.

Where Direct Lets are used to prevent households from entering TA (when they are offered at the front door) it won't always be preventing the use of a PSLX (households can be placed in long term leases, B&Bs, hostels etc instead – all of which cost less than £68.58 a week). The majority of households entering TA do get placed in PSLX. Since April 2016, the number of PSLX units has increased by 464 units, while the number of long term leases (PSL) has only increased by 37 units, and the number of B&B units has increased by 59 units.

The average weekly cost of PSLX covers a wide range of costs for different locations and sizes of accommodation. It is important that a sufficient number of Direct Lets are accepted by households in expensive locations and the costliest bedroom sizes (two and three bedrooms) to ensure that the average saving is consistent with the £68.58 per week expected. The Procurement team will have clear targets and savings realisation will be closely monitored.

### Maintaining a low rate of household return:

The key assumption in the savings calculation is that 94% of Direct Lets will deliver

two years of savings. This is based on analysis of all households who have accepted a Direct Let in the past, tracking their unique ID number to see if they ever returned to make contact with Housing Solutions. Of the 254 households who accepted a Direct Let between April 2013 and April 2016<sup>1</sup>, only 7.1% returned within two years, and only 5.9% of those returning (15) were accepted into TA or accepted another Direct Let (the remainder received advice only). Only 11.8% returned at all before March 2018 (when the analysis was carried out), with 10.2% accepted into TA or accepted another Direct Let – suggesting that for the vast majority of Direct Lets, savings are generated well beyond two years.

The savings calculation is based on two years (with 5.9% of the units lasting for 17 months) as the service strives for the lease between the Direct Let landlord and tenant to be two years long. It is rare to have leases any longer than this. The service currently accepts one-year leases if two-year leases cannot be secured.

The rate of household return from Direct Lets will be closely monitored. If the return rates start to consistently rise above 6% then the expected savings will be re-calculated. For example, if the return rate rose to 20%, this would reduce the cost avoidance saving by £90k. The steps taken in response could include a reduction or re-targeting of Direct Let procurement. It could involve refusing to accept one-year leases.

---

<sup>1</sup> Cut off of April 2016 as any Direct Let accepted after that point could not possibly have delivered two years of savings (analysis carried out in March 2018). No data available before April 2013.

## Appendix 2: Potential issues and mitigations

### Tenancy sustainment:

The key to the delivery of savings is for tenancies to be sustained once a household has accepted a Direct Let. There are a number of steps that the service can take to maximise tenancy sustainment – which is essentially about keeping landlords happy by ensuring they are given good tenants who pay their rent and don't cause issues:

- **Strict affordability checks:** not placing household anywhere where they cannot completely afford the rent. Subject to suitability, this will mean in practice that most of the Direct Lets are placed out of borough. This helps guarantee that rent can and will be paid and the tenancy won't break down.
- **Tenancy training:** requiring households to engage with tenancy training sessions which teach them how to be a good tenant and what to expect in the PRS. This helps set the tenant up on the right path from the beginning.
- **Resettlement support:** offering clients support from a caseworker to ensure they are successfully settled and set up in their new accommodation. This includes help with bills, rent payments, schools and, most importantly, completion of welfare applications. Support with moving costs might be an incentive for some households. This could be a risk-based rather than a blanket offer – with support offered to households deemed to have some risk of their tenancy breaking down.
- **On-call service:** having a helpline that landlords or tenants can call when issues arise that endanger the tenancy (i.e. rent arrears). There is a need to balance the need to sustain the tenancy, with the risk of prolonging a dependent relationship between the landlord/tenant and Council, which maximises the likelihood that, at the end of the tenancy, the tenant will seek Temporary Accommodation once again or the landlord will seek further incentives to renew the tenancy. The aim of Direct Lets is to return the household into a normal private rented sector relationship, independent of Council support.

### Landlord dependency on incentives:

There is an inherent risk that a programme of mass Direct Let procurement, based on landlord incentives, will result in landlords becoming 'hooked' on incentives – only extending tenancies if another incentive is provided.

It should be noted that Direct Lets secured with a £3,000 incentive will pay for itself in 44 weeks – so that even if a landlord receives an incentive every time a two-year tenancy (or indeed even a one-year tenancy) ends, there will still be savings generated. Such is the cost of PSLX. Such an approach is not sustainable though as reserves will become depleted.

Other Councils, such as Camden, have a policy of never paying a second incentive. They balance this by offering higher incentives for longer leases. For instance, for a two-bedroom property in-borough, they will offer £2,000 for a one-year lease, or £7,000 for a three-year lease. Camden are sufficiently confident in their ability to

procure enough properties, their quality of service to landlords, and the effectiveness of their tenancy training and sustainment, that they are able to disengage from those who seek second incentives.

The Council has the option to adopt a similar policy if incentive seeking amongst landlords becomes a problem. At the outset, it would be logical to adopt a policy of denying second incentives to landlords where the original tenancy had broken down before the end of the agreed lease – so that landlords aren't being rewarded for evicting tenants early.



### **Appendix 3: Case study – no duty households**

The Council has traditionally had a number of households being accommodated in TA for whom no homelessness duty has been accepted or owed. These 'no duty' households include households who would be deemed intentionally homeless (having been evicted from social housing due to their high arrears and/or anti-social behaviour) or households who don't meet any of the criteria for the homelessness duty but have been accommodated at officer discretion.

Between April 2016 and October 2017 there were always between 35 to 50 'no duty' households being accommodated. Since October 2017 there has been a concerted effort to reduce the number of 'no duty' households – by offering them Direct Lets. As a result, there are currently only 15 'no duty' households being accommodated (as at 26/08/2018).

Dedicated office resources has been deployed to on find suitable and affordable Direct Lets for this cohort. What this case study illustrates is that Direct Lets are an established practice and have proven successful even with a cohort that can be challenging and uncooperative.

#### Appendix 4: comparison to other London Boroughs

In 2017/18, LBHF procured 150 Direct Lets – slightly higher than the London average of 129. Five boroughs procure significantly higher numbers of Direct Lets than other boroughs:

	Direct Lets accepted by HHs at front door (prevention) during 2017/18
Barnet	623
Barking and Dagenham	558
Croydon	531
Lambeth	489
Enfield	383

#### Case study: Camden

Since 2007 Camden have been able to achieve a c.80% reduction in households in TA (to 325 as at April 2018).

In Camden, TA is not a strong route into social housing (only 59 households exited TA into social housing in 2017/18). Households in TA may be offered only 1 Direct Let before Discharge into the Private Rented Sector (and potential eviction). Instead there are incentives to stay out of TA - households that agree to accept a Direct Let (rather than go into TA) will be made 3 offers of Direct Lets. Camden therefore send a clear message that there is much more choice available to households who stay out of TA.

Camden still pay to accommodate homeless households who have agreed to accept a Direct Let, but for whom there is nothing yet available – so their strategy is dependent on having a reliable supply of Direct Lets.

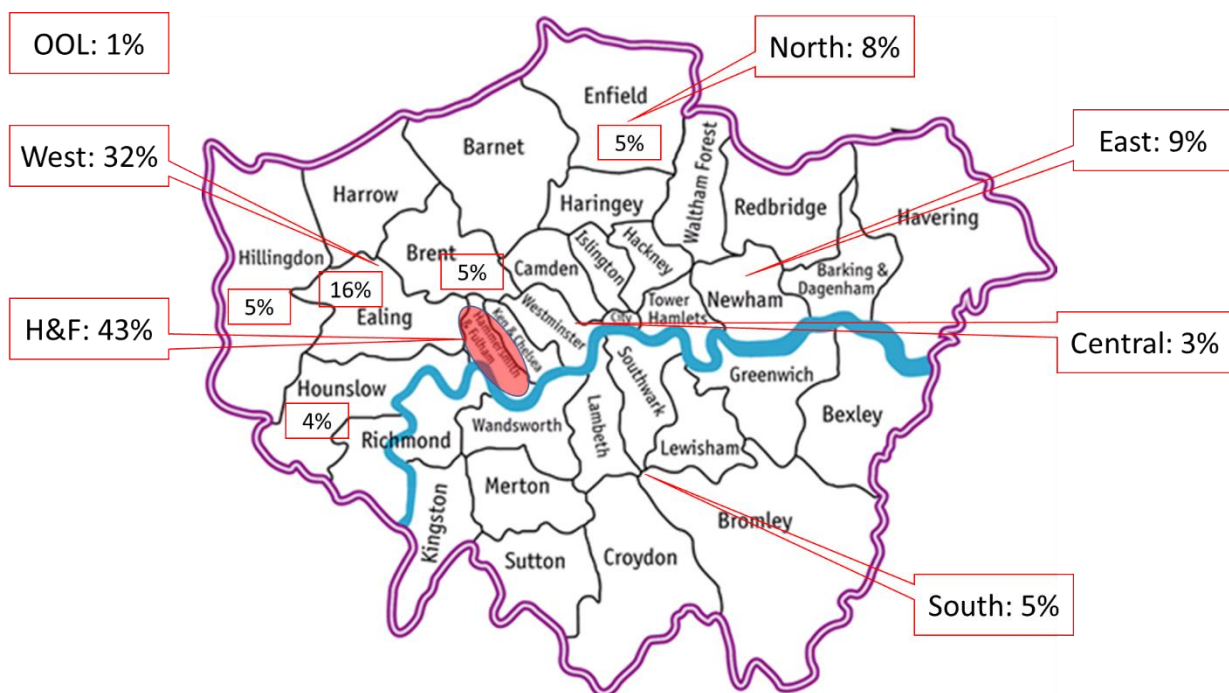
Also key to Camden's strategy is to invest in tenancy preparation and sustainment—when they place households in Direct Lets, they want that tenancy to be sustained.

## Appendix 5: location of H&F Temporary Accommodation

The map below shows the dispersal of LBHF's TA units at the end of June 2018. Households were accommodated across 29 different London boroughs and 11 locations outside of London (OOL).


- 57% of TA units are outside of Hammersmith and Fulham.
- 28% of units are in neighbouring boroughs (Brent, Ealing, Hounslow, K&C, Richmond, Wandsworth).
- 19% are in Outer London Boroughs (5% in Enfield, 5% in Hillingdon).

Note that of the 43% of in-borough accommodation, 22% is made up of units directly owned by the Council or leased from Housing Associations. This is relatively fixed stock that is difficult to increase. 21% is made up of B&Bs or properties leased from private landlords – the most expensive form of TA.



West:	Harrow, Hillingdon, Brent, Ealing, Hounslow
North:	Barnet, Enfield, Haringey
Central:	K&C, Westminster, Camden, Islington
East:	Tower Hamlets, Hackney, Newham, Waltham Forest, Redbridge, B&D, Havering
South:	Richmond + all boroughs South of Thames
OOL:	Manchester, Birmingham, Guildford, Luton, Dartford, Thurrock, Colchester

# Agenda Item 16

<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>8 OCTOBER 2018</b></p>	
<b>APPROPRIATION OF WATERMEADOW COURT AND EDITH SUMMERSKILL HOUSE</b>	
<b>Report of the Cabinet Member for the Economy and the Arts – Councillor Andrew Jones</b>	
<b>Open Report</b>	
<b>Classification - For Decision</b>	
<b>Key Decision: Yes</b>	
<b>Wards Affected:</b> Fulham Broadway and Sands End	
<b>Accountable Director:</b> Jo Rowlands, Strategic Director for Growth & Place	
<b>Report Author:</b> Matt Rumble, Head of Area Regeneration	<b>Contact Details:</b> Tel: 07786747488 E-mail: matt.rumble@lbhf.gov.uk

## 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**

### **2.1. It is recommended that Cabinet:**

- 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)
- 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
- Authorises the Strategic Director for Growth to apply to the Secretary of State for consent to the appropriation pursuant to Section 19(2) Housing Act 1985
- 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.
- 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.
- Approves 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 13<sup>th</sup> 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 10<sup>th</sup> October 2017. A separate planning permission (ref: 2017/02100/FUL) for the creation of a parking layby and associated works was granted on 27<sup>th</sup> September 2017.
  - **WMC:** The Council's planning committee resolved to grant planning permission (ref: 2017/01841/FUL) on 10<sup>th</sup> October 2017. The subsequent changes proposed to WMC identified above will be presented to the Council's planning committee on 11 September 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 11<sup>th</sup> August 2017. The deadline for responding to this was the 12<sup>th</sup> 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 13<sup>th</sup> 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><b>WMC:</b> 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</p>	Positive

	<p>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 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><b>ESH:</b> 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>	<p>Positive</p>
<p>Disability</p>	<p><b>WMC:</b> 10% of the new homes will be fully wheel chair compliant. The building's design meets all statutory requirements making it accessible</p> <p><b>ESH:</b> 10% of the new homes will be fully wheel chair compliant. The</p>	<p>Positive</p> <p>Positive</p>

	<p>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>	
Race	<p><b>WMC:</b> it's not uncommon for ethnic minorities to be over-represented in 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><b>ESH:</b> 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/ Neutral</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 Fund<sup>1</sup>.

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.

---

<sup>1</sup> 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.

- 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 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 2019/20<sup>2</sup> 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 £336k<sup>3</sup> 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 date<sup>4</sup> 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.

---

<sup>2</sup> 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.

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

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

## **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 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 completed by: Firas Al Sheikh, Head of Housing Investment & Strategy, tel. 0208 753 4790.  
Implications were verified by Emily Hill - Assistant Director (Corporate Finance), tel. 020 873 3145.

## **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. 020 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.

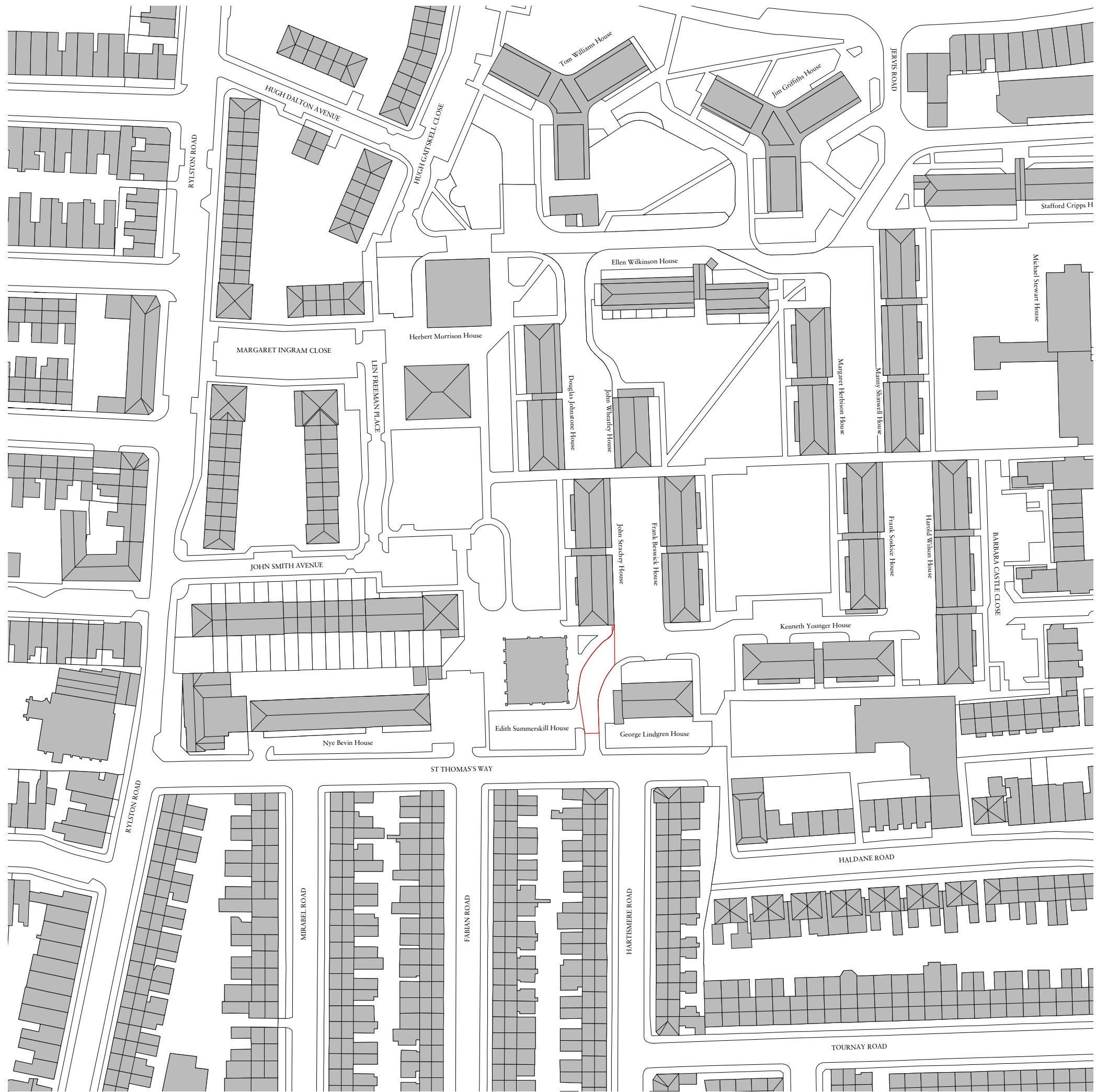
13.4 In conjunction with their external legal advisers, officers have identified the following risks which they will need to ensure are appropriately mitigated:

- 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.

13.1. 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.
  4. This drawing is based on dimensional survey information provided by others. HHBR cannot accept responsibility for the accuracy of this survey information.
  5. All dimensions shall be verified on site before proceeding with work.
  6. HHBR shall be notified in writing of any discrepancies.

**Specific notes**

Rev. Date	Reason for issue	Check

**Key**  
 Site Boundary ————



**Title**  
 Site Location Plan

**Client**  
 HFS Developments LLP

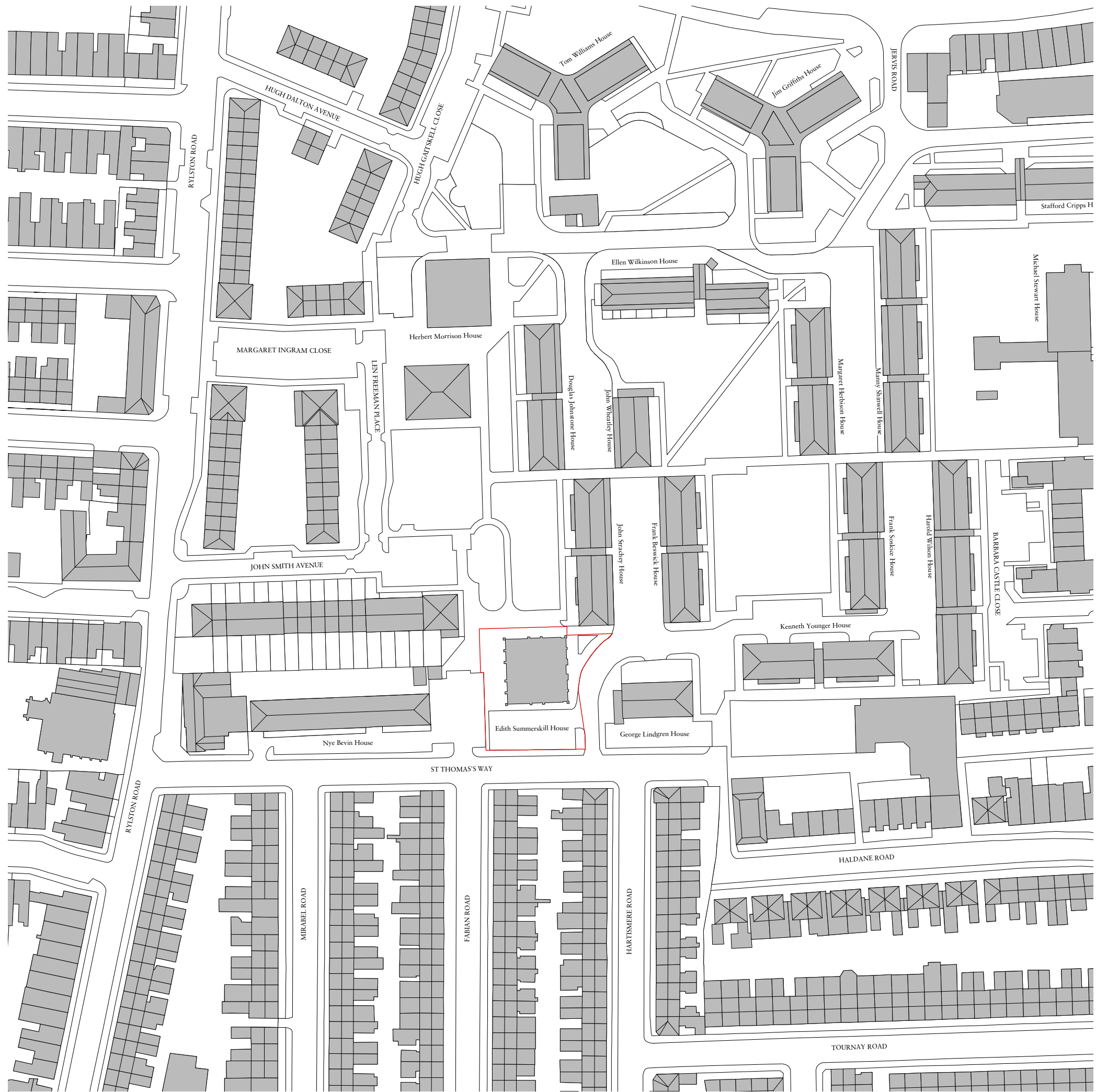
**Project**  
 Edith Summerskill House

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

**Drawing no.**  
 9\_1307\_P\_002\_P2

21 Perseverance Works  
 38 Kingsland Road  
 London E2 8DD  
 +44 (0)20 7033 9700  
 studio@HHBR.co.uk

**architects**  
**Henley**  
**Halebrown**



- 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.
  4. This drawing is based on dimensional survey information provided by others. HHBR cannot accept responsibility for the accuracy of this survey information.
  5. All dimensions shall be verified on site before proceeding with work.
  6. HHBR shall be notified in writing of any discrepancies.

**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

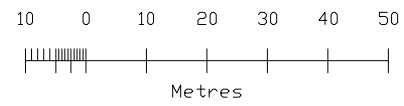
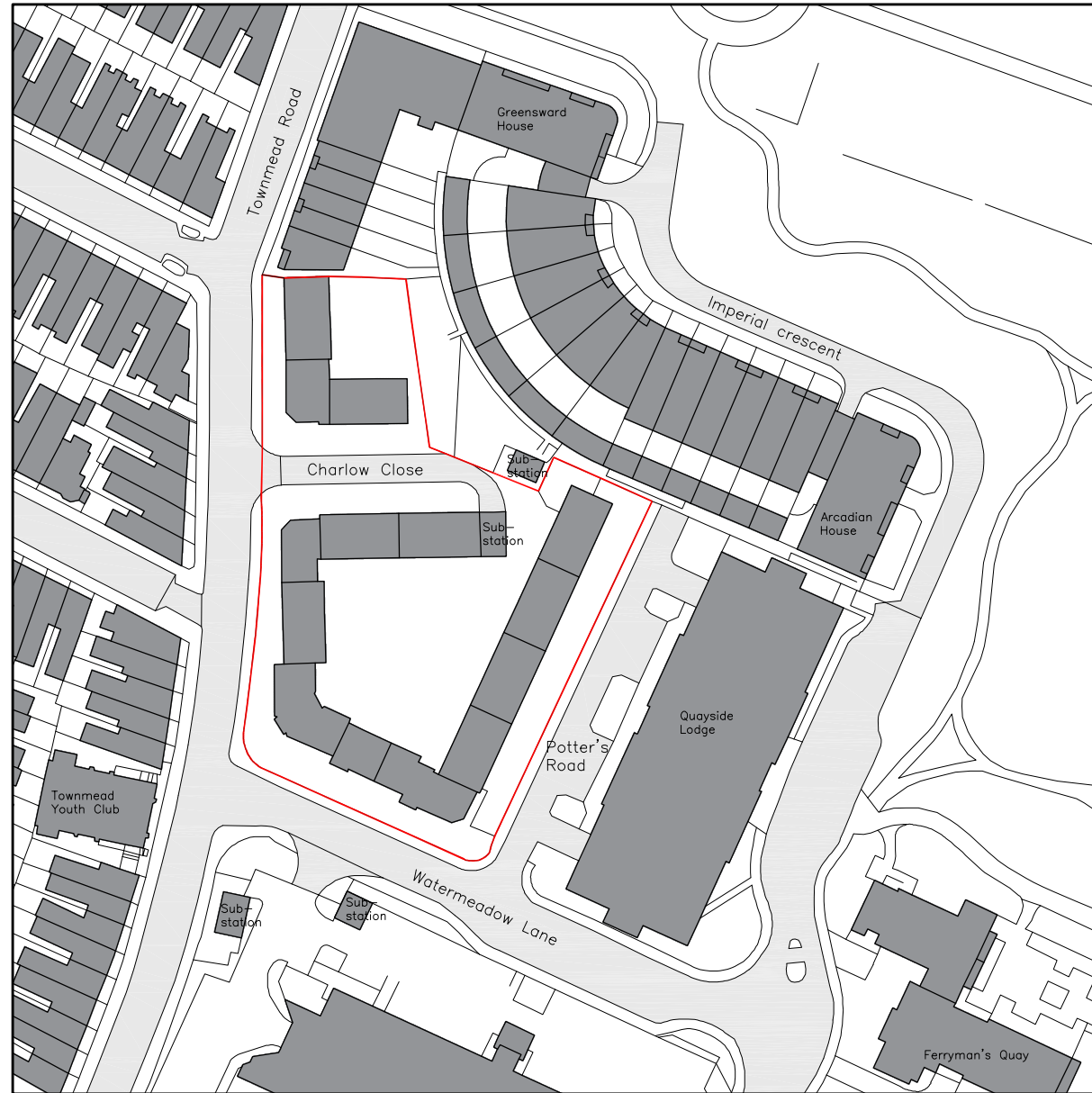
**Project**  
 Edith Summerskill House

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

**Drawing no.**  
 9\_1307\_P\_001\_A

21 Perseverance Works  
 38 Kingsland Road  
 London E2 8DD  
 +44 (0)20 7033 9700  
 studio@HHBR.co.uk

**architects**  
**Henley**  
**Halebrown**



General Notes

The drawing is copyright of Darling Associates. This drawing shall not be scaled. All dimensions are in mm unless otherwise stated. All dimensions shall be checked on site prior to commencing the works and any discrepancies to be reported to Darling Associates. All works shall conform to the current edition of the building regulations and other statutory requirements. All materials and workmanship shall conform with the relevant British Standard specifications and codes of practice. If this drawing forms part of an application for planning permission, it shall not be used for any other purpose without the express permission of Darling Associates. This drawing may incorporate information from other professionals. Darling Associates cannot accept responsibility for the integrity and accuracy of such information. Any clarification and/or additions that are required appertaining to such information should be sought from the relevant profession or their appointment representative.

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			

**DARLING ASSOCIATES**  
ARCHITECTS

1 Greencoat Row London SW1P 1PQ UK  
 mail@darlingassociates.net  
 www.darlingassociates.net  
 +44 20 7630 0500

DRAWING STATUS

**Planning**

TITLE

**Site Location Plan**

PROJECT

Watermeadow Court

SCALE AT A3:

1:1250

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

© Darling Associates Ltd.

# Agenda Item 17

<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>8 OCTOBER 2018</b>	
<b>REVISED STATEMENT OF GAMBLING POLICY</b>	
<b>Report of the Cabinet Member for The Environment - Councillor Wesley Harcourt</b>	
<b>Open Report</b>	
<b>Classification - For Decision</b>	
<b>Key Decision: NO</b>	
<b>Wards Affected: All</b>	
<b>Accountable Director: Ann Ramage – Interim Assistant Director for Regulatory Services</b>	
<b>Report Author: Patrick Crowley</b>  <b>Licensing Manager</b>	<b>Contact Details:</b> Tel: 020 7341 5601  E-mail: <a href="mailto:Patrick.crowley@rbkc.gov.uk">Patrick.crowley@rbkc.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1 The Gambling Act 2005 requires every Council to have a 'Statement of Gambling Policy' which will include information stipulated within the Gambling Commission's statutory Guidance to Licensing Authorities in England and Wales.
- 1.2 The Council's 'Statement of Gambling Policy' must undergo a thorough review and public consultation every three years. The Borough's Policy has undergone a review this year, and the revised version is required to be adopted by the Full Council to comply with the Gambling Act 2005. The draft, revised Statement of Gambling Policy has undergone a 12-week public consultation exercise which ended on the 03 August 2018.
- 1.3 The amended Statement of Gambling Policy has taken into account suggestions and best practice recommended by the Gambling Commission and now has an added focus on safeguarding children and vulnerable adults and highlighting the support agencies that are available, in relation to gambling.



## 2. RECOMMENDATIONS

- 2.1. That the revised Statement of Gambling Policy, attached at the end of this report as Appendix 1, be recommended for adoption by the Full Council.

## 3. REASONS FOR DECISION

- 3.1. To ensure that the Council's Statement of Gambling Policy complies with section 349 of the Gambling Act 2005 and, after undergoing a full review, is approved by Full Council and published in January 2019.
- 3.2. Section 349 of the Gambling Act 2005 requires Licensing Authorities to review, and publish revised, Statements of Gambling Policy every 3 years.
- 3.3 The Statement of Policy must be adopted by Full Council and published at least 28 days before it comes into effect in January 2019.

## 4. INTRODUCTION AND BACKGROUND

- 4.1 The Council's Statement of Gambling Policy provides advice and guidance to the council when exercising their functions under the Gambling Act 2005. It also provides guidance to both applicants and objectors.
- 4.2 A Statement of Gambling Policy may last for a maximum of three years and can be reviewed and revised by the authority at any time.
- 4.3 The first Statement of Gambling Policy took effect in January 2007. The Council's current Statement of Gambling Policy took effect in January 2016 and expires in January 2019. A draft revised Statement of Gambling Policy has been prepared and has undergone a 12-week public consultation.
- 4.4 The 2016 Statement of Gambling Policy was revised to reflect any changes in legislation, and to place more emphasis on the protection of children and vulnerable people, prior to the public consultation exercise. The revisions also reflected the latest version of the Gambling Commission's Guidance, updated links to various websites, and updated contact details. The main changes are summarised in table 1 below.

<b>Section of the Statement of Gambling Policy</b>	<b>Changes made</b>
<b>Paragraph 3.5</b>	Amended to reflect the latest version of the Gambling Commission's Guidance
<b>Paragraph 3.8</b>	Paragraph strengthened in relation to the Gambling Commission's Licensing Conditions and Codes of Practice regarding underage gambling
<b>Paragraph 5.10</b>	New paragraph in relation to Local Risk Assessments
<b>Paragraph 5.12</b>	Paragraph strengthened to include other matters the LA expects licence holder to consider when completing their Local Risk Assessments
<b>Paragraph 9.1</b>	Paragraph extended to explain how we will comply

	with the Regulators Code
<b>Paragraphs 15.4 and 15.5</b>	New paragraphs relating to the protection of children and underage testing
<b>Page 36</b>	Local Area Profile map updated

**Table 1: Summary of changes made to the Statement of Gambling Policy**

- 4.5 Four responses were received as a result of the public consultation exercise. These can be found attached at the end of this report as Appendix 2. A summary of these responses and relevant amendments to the revised Statement of Gambling Policy can be found as Appendix 3 to this report. The final version of the Statement of Gambling Policy January 2019 – January 2022 can be found as Appendix 1 attached at the end of this report.
- 4.6 As a result of the consultation responses received the local risk assessments section of the Statement of Gambling Policy was updated. Information was added regarding the National Programme Gambling Clinic’s patient information leaflet and helpline numbers to paragraph 5.11(f) and the last bullet point in paragraph 5.13. An updated Local Area Profile Map has been included at Page 36.
- 4.7 The timetable for adoption by the Full Council of the Statement of Gambling Policy January 2019 – January 2022 is shown in table 2 below:

**Table 2: Planned timetable for the review of Statement of Gambling Policy**

<b>Activity</b>	<b>Date(s)</b>
Community Safety and Environment Policy and Accountability Committee	3 July 2018
Cabinet	5 October 2018
Full Council	17 October 2018

## **5. PROPOSAL AND ISSUES**

- 5.1 An issue that has arisen in towns and cities nationally is the ‘clustering’ of betting shops in specific areas. The introduction of ‘Local Area Profiles’ requires applicants to address local issues within their applications, and to explain how they will reduce any adverse impact on the local environment should an application be granted. This should assist Licensing Authorities when making decisions relating to the new grant of, or variation to existing, licence applications.
- 5.2 Vulnerable children in gambling premises has also been considered. Although children under the age of 18 are excluded from betting shops, casinos and Adult Gaming Centres, particular attention to the risk of children in these premises has been given in the revised Policy Statement.

## **6. CONSULTATION**

- 7.1 The draft, revised Statement of Gambling Policy commenced a 12-week public consultation exercise on the 11 May 2018. Details were sent to every Residents’

group in the Borough in May 2018. Details were also sent to representative groups of the Gambling industry and to the Chamber of Commerce. The draft Policy was placed on the Council's website at:

[http://www.lbhf.gov.uk/Directory/Business/Licences\\_and\\_street\\_trading/Licensing\\_az/59466\\_Licensing\\_policy.asp](http://www.lbhf.gov.uk/Directory/Business/Licences_and_street_trading/Licensing_az/59466_Licensing_policy.asp)

- 7.2 Details of the revisions and the weblink to the draft Policy were also sent to teams within the Environmental Health Department, the Planning Department, the Highways Department, Children's Services, the Council's Events Team, the Director for Public Health's Department, the Metropolitan Police, the Parks Police, the Fire Authority, local hospitals, all Hammersmith and Fulham Councillors, the three Town Centre Managers and neighbouring Boroughs. A report also went before members at the Annual Licensing Committee meeting in June and the Community Safety and Environment Policy and Accountability Committee in July.
- 7.3 Four responses were received during the consultation period from the Metropolitan Police, the Council's Noise and Nuisance Team, a local resident, and the Central and North-West London NHS Foundation Trust (CNWL). These responses are detailed in Appendix 2 to this report.

## **7. EQUALITY IMPLICATIONS**

- 7.1. TheAs required by Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public-Sector Equality Duty and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Act, from these proposed revisions to the Statement of Gambling Policy.
- 7.2 Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

## **8. LEGAL IMPLICATIONS**

- 8.1 The requirement for every Council to have a 'Statement of Gambling Policy' is set out in the Gambling Act 2005. The Council's 'Statement of Gambling Policy' must undergo a review and public consultation every three years in accordance with the Gambling Act 2005.
- 8,2 Legal Implications provided by Adesuwa Omoregie, Chief Solicitor (Planning, Highways, Licensing and Property), tel. 0208 753 2297.

## **9. FINANCIAL AND RESOURCES IMPLICATIONS**

- 9.1 There are no direct financial implications associated with this report. However, any financial impact arising as a result of this policy will be managed as part of the budget monitoring process.
- 9.2 Finance Implications provided by Emily Hill, Assistant Director (Corporate Finance). tel 020 8753 3145.

## **10 IMPLICATIONS FOR BUSINESS**

- 10.1 Implications for business in the borough from the introduction of this revised policy are considered to be minimal. Changes in Planning law in May 2015 means that betting shops are removed from Class D2 to a 'sui generis' use. This means that betting shops are now not included in the planning 'use' classes and new premises will need specific planning permission in order to operate. The Planning division now has stricter controls on where a prospective operator may operate new betting premises.
- 10.2 The gambling policy has been revised to reflect the recent changes in the Gambling Commission's Guidance. The Licensing Authority has developed local area profiles, identifying, quantifying and mapping any vulnerabilities and other relevant features of the borough. These profiles should be used and considered by new applicants and existing licence holders, as they provide a basis upon which future Gambling Act applications will be assessed.
- 10.3 This new approach represents a major opportunity for local businesses to promote, and clearly state within their application how they will promote, the licensing objectives and ensure high standards of operation which respect the sensitivities of their locality.
- 10.4 Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.

## **11. RISK MANAGEMENT**

- 11.1 In line with the Gambling Commission's guidance for local authorities, the proposed policy pays particular attention to risks posed to residents and is focussed on protecting children and vulnerable people from being harmed or exploited by gambling, as well as issues of crime and disorder.
- 11.2 The failure to meet new and existing statutory requirements is specifically addressed in the Environmental Health Service Group's risk register. Controls in place to mitigate this risk include training, local risk assessments, a risk-based inspection programme, periodic updates of the scheme of delegation and the business planning process.
- 11.3 Implications verified by: David Hughes, Director of Audit, Fraud, Risk and Insurance, tel. 0207 361 2389.

## **12. IT STRATEGY IMPLICATIONS**

- 12.1 Not applicable in this case.

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

### **13. COMMERCIAL AND PROCUREMENT IMPLICATIONS**

- 13.1 There are no commercial or procurement implications associated with the recommendations contained in this report.
- 13.2 Implications completed by: Joanna Angelides, Procurement Consultant, tel. 0208 753 2586, on behalf of Simon Davis, Assistant Director Commercial Management.

### **LOCAL GOVERNMENT ACT 2000**

#### **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

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

#### **LIST OF APPENDICES:**

**Appendix 1 – Statement of Gambling Policy**

**Appendix 2 – Draft Statement of Gambling Policy 2019 for RBKC & LBHF: CNWL Addictions Comments**

**Appendix 3 – Record of Responses to Public Consultation**



# **STATEMENT OF GAMBLING POLICY**

**JANUARY 2019 – JANUARY 2022**

DRAFT

Under the Gambling Act 2005 (the Act), the Licensing Authority (We), must publish a statement of the principles which we are going to apply in relation to gambling.

This revised Statement of Gambling Policy will take effect from the **XX January 2019**.

We have prepared this Statement of Gambling Policy after considering the guidance issued by the Gambling Commission and the licensing objectives of the Gambling Act 2005. We have consulted on this policy and have considered any responses to the draft statement before adopting and publishing this final document.

We will review and publish this statement at least every three years, and consult again about any amended parts. If you would like more information or have any comments about this policy, please contact us directly.

If you would like to see the full list of comments made on the draft statement, please contact us.

All references to specific paragraphs in the Gambling Commission Guidance relate to the 5<sup>th</sup> edition published in September 2015 (Parts 17, 18 and 19 updated in September 2016). A copy of this version is available on the Council's website. Further editions of the Guidance may be published throughout the duration of this Statement of Gambling Policy.

Licensing Section  
Residents' Services  
PO Box 66532  
London  
W8 9GJ

E-mail: [licensing@lbhf.gov.uk](mailto:licensing@lbhf.gov.uk)  
Website: [www.lbhf.gov.uk](http://www.lbhf.gov.uk)  
Phone: 020 8753 1081

# Contents

<b>Section</b>	<b>Page</b>
1. Introduction	4 - 5
2. The borough	5 - 6
3. General principles	6 - 9
4. Premises licenses	9 - 10
5. Conditions	10 - 13
6. Responsible authorities	14
7. Relevant representations and interested parties	14 - 15
8. Reviews	15
9. Enforcement	16 - 17
10 Exchanging information	17
11 Provisional statements	17
12 Temporary-use notices	17
13 Occasional-use notices	18
14 Consultation	18
15 Adult gaming centres, family entertainment centres, licensed to sell alcohol, bingo premises, betting premises	18 - 19
16 Family entertainment centre not licensed to sell alcohol	19
17 Casinos	19
18 Tracks	20
19 Travelling fairs	20
20 Gaming machine permits for premises that sell alcohol	20 - 21
21 Prize gaming permits	21
22 Club gaming and club machine permits	22
23 Small Society Lotteries	22 - 23
24 Other Information	23 - 24
25 Glossary	25 – 28
<b>Annex 1</b> Mandatory and default licensing conditions	29 – 32
<b>Annex 2</b> Local pool of licence conditions	33 – 34
<b>Annex 3</b> Local Area Profile Map	35



# 1 Introduction

1.1 The Act introduced a unified regulator for gambling in Great Britain – the Gambling Commission – and a new licensing system for commercial gambling to be managed by the Commission or by local authorities, depending on the matter that needs to be licensed. The only exceptions are spread betting (regulated by the Financial Services Authority), remote gambling and the National Lottery (regulated by the Gambling Commission). We, the Licensing Authority, and the Gambling Commission, will share responsibility for all matters previously regulated by the Magistrates' Court.

1.2 The Gambling Commission will be responsible for granting operating and personal licences for commercial operators and personnel in the industry. The Licensing Authority will issue premises licences for:

- betting offices and racetracks;
- casinos;
- bingo clubs;
- adult gaming centres; and
- family entertainment centres.

We will also issue permits for:

- gaming machines in alcohol-licensed premises, such as pubs;
- gaming machines for members' clubs;
- gaming in members' clubs;
- family entertainment centres not licensed to sell alcohol (category-D machines only, that is, those that have the lowest level of stakes and prizes);
- occasional - and temporary use notices; and
- provisional statements.

## Licensing Objectives

1.3 Under the Act, we must consider the licensing objectives as set out in section 1 of the Act. The licensing objectives are:

- preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- making sure that gambling is carried out in a fair and open way; and
- protecting children and other vulnerable people from being harmed/exploited by gambling.

Under the Gambling Act 2005 'child' means an individual who is less than 16 years old and 'young person' means an individual who is not a child but who is less than 18 years old.

1.4 Under section 153 of the Act, when making decisions about premises licences and temporary use notices, we should allow the premises to be used for gambling if we think it is:

- in line with any relevant code of practice and guidance issued by the Gambling Commission; and
- reasonably consistent with the licensing objectives and in line with the principles set out in this policy.

## Licensing Authority Functions

1.5 Under the Act, we must:

- be responsible for licensing premises where gambling activities are to take place by issuing premises licences;
- issue provisional statements;
- regulate members' clubs and miners' welfare institutes that want to offer certain gaming activities by issuing club gaming permits or club machine permits (or both);
- issue club machine permits to commercial clubs;
- grant permits for certain lower-stake gaming machines at family entertainment centres that are not licensed to sell alcohol;
- receive notices from premises that are licensed to sell alcohol (under the Licensing Act 2003) that they want to use one or two gaming machines;
- issue gaming machine permits for premises that are licensed to sell or supply alcohol for people to drink on the licensed premises, under the Licensing Act 2003, where there are more than two machines;
- register small-society lotteries below set limits;
- issue prize gaming permits;
- receive and approve temporary-use notices;
- receive occasional-use notices;
- provide information to the Gambling Commission about the licences we have issued (see the section 10 below); and
- maintain registers of the permits and licences that we issue.

## 2 The Borough

2.1 Hammersmith & Fulham is one of 13 inner-London boroughs. It is situated in the west of central London, on the transport routes between the city and Heathrow airport.

2.2 It is a long, narrow borough, running north to south with a river border at its south and south-west side. It is bordered by six London boroughs – Brent to the north, Kensington and Chelsea to the east, Wandsworth and Richmond-upon-Thames to the south, and Ealing and Hounslow to the west. Not including the City of London, it is the third smallest London borough in terms of area, covering 1,640 hectares. It has three town centres – Shepherd's Bush, Hammersmith and Fulham.

2.3 Hammersmith & Fulham is made up of 16 electoral wards. These range in size from 55 hectares to 344 hectares.

2.4 When producing this statement, we have considered:

- local crime prevention;
- the licensing policy;
- our planning, transport, tourism and cultural strategies;
- our equal opportunities policy; and
- our public health duties.

2.5 We consulted the following people before finalising and publishing this statement.

- The police
- Environmental Health
- Trading Standards
- Social Inclusion Board
- Safeguarding Adults Executive Board (SAEB)
- Local Safeguarding Children's Board (LSCB)
- Trade associations
- Residents' associations
- Businesses
- Fire authority
- Ward Councillors
- Neighbouring authorities
- Chamber of Commerce
- Substance misuse and offender care team
- The Director of Public Health
- Crime and disorder reduction partnership
- Trade unions
- Other relevant people who could be affected by this policy, including the Disabled People's Commission and the Older People's Commission.

2.6 This statement of principles will not stop any eligible person from making an application, commenting on an application, or applying for a review of a licence, as we will consider each one individually and according to the Gambling Act 2005 (except for casinos, see section 17 below).

### **3 General principles**

3.1 The Act and any associated regulations will apply to premises licences as well as specific conditions set out in regulations. We can exclude some conditions and attach others where we consider it to be appropriate.

3.2 We are aware that the Gambling Commission's guidance for local authorities says that moral objections to gambling are not a valid reason to reject applications for premises licences, and also that a licensing authority must not consider unmet demand when deciding an application. However, to meet the licensing objectives, we will have to consider whether premises are appropriate for the intended activity.

#### **Multiple licences and separation of different premises**

3.3 Under the Act, 'premises' includes 'any place'. Single premises cannot have different premises licences operating at different times. However, it is possible for a single building to have more than one premises licence, as long as they are for different parts of the building and the different parts of the building can reasonably be considered as different premises. Whether different parts of a building can properly be considered as separate premises will always be a question of fact in the circumstances. However, the Gambling Commission does not consider areas of a building that are artificially or temporarily separate to be different premises.

3.4 If more than one application is received for premises licences in a single building, we will make a decision on whether the proposed premises are genuinely separate to the extent that they merit their own licence and are not an artificially created part of what is readily identifiable as a single and separate unit. A decision of this nature will be taken by the licensing sub-committee. When determining whether two or more proposed premises are separate, we will take a number of factors into account. Depending on the specific circumstances of the case these may include:

- Do the premises have different postal addresses?
- Is a separate registration for business rates in place at the premises?
- Are the neighbouring premises owned by the same person or not?
- Can each set of premises be accessed by different entrances from the street or a public passageway?
- Can the premises be accessed only from another gambling premises?
- How are the premises separated? Are any partitions fixed, of full height and transparent in any part?

Where the licensing authority determines that more than one premises licence can be granted within a single building, then specific measures may be required to be included as conditions on the licences. Such measures may include:

- the supervision of entrances
- segregation of gambling from non-gambling areas, which may include the type and position of partitions and/or the supervision of the premises and gaming machines

3.5 We pay particular attention to the Gambling Commission's guidance for local authorities, which states the following:

**7.32** *Licensing authorities should take particular care in considering applications for multiple premises licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular, they should be aware of the following:*

- *the third licensing objective seeks to protect children from being harmed or exploited by gambling. In practice this means not only preventing them from taking part in gambling, but also prevents them from being in close proximity to gambling. Therefore, premises should be configured so that children are not invited to participate in, have accidental access to or closely observe gambling where they are prohibited from participating.*
- *entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not 'drift' into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit*
- *customers should be able to participate in the activity named on the premises licence.*

3.6 You cannot get a full premises licence until the premises in which you are going to offer the

gambling is built. The Gambling Commission has advised that 'the premises' means the premises in which gambling may now take place. So a licence to use premises for gambling will only be issued in relation to premises that are ready to be used for gambling. The Gambling Commission emphasises that making sure the building is complete means that the authority can, if necessary, inspect it fully, as can other responsible authorities with inspection rights.

## **Plans**

3.7 The Licensing Authority will expect compliance with the Gambling Act 2005 (Premises Licences and Provisional Statements) Regulation 2007 (as amended) in relation to the submission of plans with applications.

The Regulations state that plans shall contain the following information:

- the extent of the boundary or perimeter of the premises
- where the premises include, or consist of, one or more buildings, the location of any external or internal walls of each such building
- where the premises form part of a building, the location of any external or internal walls of the building which are included in the premises
- where the premises are a vessel or a part of a vessel, the location of any part of the sides of the vessel, and of any internal walls of the vessel, which are included in the premises
- the location of each point of entry to and exit from the premises, including in each case a description of the place from which entry is made or to which the exit leads.

3.8 In line with the Gambling Commission's guidance for local authorities, we will pay particular attention to protecting children and vulnerable people from being harmed or exploited by gambling, as well as issues of crime and disorder. This would include incidents, or suspected incidents, of child sexual exploitation. We welcome the ABB Code for Responsible Gambling and Player Protection, and recommend GambleAware and GamCare certification to gambling operators in this borough. We expect all operators of gambling premises to fully comply with the Gambling Commission's Licence Conditions and Codes of Practice (LCCP), which includes Social Responsibility Codes in relation to access for children into Gambling premises, their policies and procedures designed to prevent underage gambling, and how they monitor the effectiveness of these. The Social Responsibility Codes can be found on the Gambling Commission website.

## **Planning Considerations**

3.9 If any policy is developed which affects where gambling premises can be located, we will update this statement. However, any such policy will not prevent anyone from making an application and we will consider each application individually, except for an application for a casino (see section 17 below). You will have to show how any possible concerns can be overcome.

3.10 We will try to avoid repeating any work already carried out under other systems where possible, including planning. We will not consider whether a licence application is likely to be awarded planning permission or building regulations approval. However, we will carefully consider any concerns about conditions which are not able to be met by licensees due to planning restrictions.

3.11 The Gambling Commission's Guidance to Licensing Authorities states:

*'7.58 In determining applications, the licensing authority should not take into consideration matters that are not related to gambling and the licensing objectives. One example would be the likelihood of the applicant obtaining planning permission or building regulations approval for their proposal...'*

*'7.65 - When dealing with a premises licence application for finished buildings, the licensing authority should not take into account whether those buildings have to comply with the necessary planning or building consents. Nor should fire or health and safety risks be taken into account. Those matters should be dealt with under relevant planning control, building and other regulations, and must not form part of the consideration for the premises licence. S.210 of the Act prevents licensing authorities taking into account the likelihood of the proposal by the applicant obtaining planning or building consent when considering a premises licence application. Equally, the grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under the law relating to planning or building.'*

This Licensing Authority places due regard on these extracts from the Guidance (September 2015 Edition - Parts 17, 18 and 19 updated in September 2016). The Licensing Authority is aware that in May 2015 the Government introduced additional planning controls in relation to betting offices, removing them from Class D2 use to a 'sui generis' use. This means that Betting Shops have been taken out of the planning 'use' classes and will need to receive planning approval. This has enabled Planning Authorities to exercise stricter controls over these uses, and this Authority would expect applicants for new Gambling Premises Licences to have been granted permission to use prospective premises for the proposed operation subject of the licence application.

## **4 Premises Licences**

- 4.1 Any person or business that wishes to offer gambling for which an operating licence from the Gambling Commission is required, and which is premises based, must apply to the Licensing Authority for a premises licence.
- 4.2 For each premises type the Act makes it clear that the primary activity should be that described in the premises licence type. It is the Council's opinion that all gambling premises, whether subject to an application or currently licensed, must operate primarily in the use of the licence type applied for or issued.
- 4.3 A premises licence issued by the Licensing Authority will be subject to mandatory and/or default conditions and conditions imposed by the Council. The Council may consider that conditions, other than the mandatory or default conditions, are necessary to ensure that the premises operate in a manner that is reasonably consistent with the licensing objectives, the Commission's Codes of Practice and/or local authority guidance, and this Statement of Gambling Policy.
- 4.4 The primary activity of each premises licence type is specified on the premises licence when it is issued. Section 150 of the Act authorises the provision of gambling facilities for the following types of premises licences:
  - casino premises
  - bingo premises

- betting premises, including tracks and premises used by betting intermediaries
- adult gaming centre premises (for category C and D machines)
- family entertainment centre premises (for category C and D machines) (note that, separate to this category, the licensing authority may issue family entertainment centre gaming machine permits, which authorise the use of category D machines only).

(For definitions of categories of gaming machines, see the glossary at section 25 of this policy)

- 4.5 In betting premises the primary activity will be betting, with gaming machines as an ancillary offer on the premises. The Commission has provided information relating to the primary gambling activity in the Local Authority Guidance. The Gambling Commission's Licence Conditions and Codes of Practice (LCCP) sets out the requirements on the operator to ensure that their premises operate within the terms of the Act and the relevant conditions. It should be noted that the Act does not permit a premises to be licensed for more than one gambling activity.
- 4.6 The Council will make decisions having regard to the Commission's view on primary gambling activity and will expect applicants to operate premises in line with the Commission's Guidance and conditions on their operator's licence. The Council will monitor the operation of premises and report any potential breach of operating licence conditions to the Commission. Applications for new premises licences, or to vary an existing licence, will be expected to demonstrate that the premises are intended to be used for the primary gambling activity proposed. For example, a betting premises licence application that only has 4 gaming machines but no betting counter or associated betting facilities shown on the proposed plans, will not be considered as offering the primary gambling activity in accordance with that indicated on the application.

## 5 Conditions

- 5.1 Any conditions attached to licences will be lawful and will be:
- relevant to the need to make the proposed building suitable as a gambling facility;
  - directly related to the premises and the type of licence applied for;
  - fairly and reasonably related to the scale and type of premises; and
  - reasonable in all other respects.
- 5.2 Certain matters which are set out in the Act may not be the subject of conditions. These are:
- conditions which make it impossible to comply with an operating licence,
  - conditions as to gaming machines that contradict the provisions in the Act,
  - conditions making activities, premises or parts of them, operate as a membership club,
  - conditions on fees, winnings, stakes or prizes.
- 5.3 We will make decisions on individual conditions, on a case-by-case basis, although there will be a number of measures we will consider using if necessary, such as using supervisors, appropriate signs for adult-only areas and so on. We will also expect you to offer suggestions as to how you will meet the licensing objectives effectively.
- 5.4 We will also consider specific measures which may be needed for buildings which have more than one premises licence. These may include supervising entrances, separating gambling from

non-gambling areas used by children, and supervising gaming machines in non-adult gambling premises to achieve the licensing objectives.

5.5 Noise, nuisance and disturbance are often linked to late night licensed premises and can often be linked, or be a precursor to, disorder. Although we recognise that nuisance is not mentioned as a Licensing Objective, the fact that it can be closely related to disorder can be a cause for concern when dealing with gambling premises applications and, in particular, applications to operate gambling premises late at night.

5.6 In appropriate circumstances, and where representations have been received and appropriate, relevant evidence is provided, this Authority will consider the imposition of conditions such as:

#### Door and Windows

- All external doors and windows shall be kept closed [at all times] [after [TIME]].
- External doors shall be fitted with a self-closing device.
- External doors fitted with a self-closing device shall not be propped open at any time.

#### Signs and Announcements

- Signs shall be prominently displayed at the exits from the premises reminding patrons there are residents living nearby and instructing them to respect the neighbours and to leave the premises promptly and quietly.
- When a microphone is available e.g. in bingo gambling premises, an announcement will be made at the end of gambling hours reminding customers that the premises are in a residential area and asking them to leave the premises promptly and quietly.

#### Speakers

- There shall be no stereo / television or other audio equipment speakers mounted in the ceiling of the premises to prevent vibration transmission of sound energy to adjoining properties.
- All stereo / television, other audio equipment, or free-standing / portable speakers shall be mounted on anti-vibration mountings to prevent vibration transmission of sound energy to adjoining properties.

5.7 Such conditions will only be considered where there is evidence to suggest that the licensing objective of preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime, is not being promoted for a specific premises and the imposition of such conditions are necessary to promote this licensing objective.

5.8 **Local Area Profile** – a map of this Local Authority's area has been attached as a separate document to this policy, at Annex 3. This document may be reviewed and updated from time to time. The map contains the location of all schools, hostels and homes for vulnerable people,



hotspots of anti-social behaviour (ASB), and centres for people with gambling addictions. This Authority will pay particular attention to applications for the new grant of, or variations to existing, premises licences where those premises lie within areas with a concentration of ASB, hostels/homes for vulnerable people and centres for people with a gambling addiction. The Authority will also pay particular attention to areas where children, young people and families congregate, for example in the vicinity of schools. This map will be regularly updated and will be publicly available on the Hammersmith and Fulham Council website.

- 5.9 Where paragraph 5.8 applies this Authority will expect applicants to fully explain in their applications how their proposal will not exacerbate any problems to individuals living in the vicinity, or exacerbate any ASB problems within the vicinity generally. Applicants will be expected to tailor their application and have policies, procedures and control measures to mitigate any risks. They should have the appropriate numbers of trained staff, and propose licence conditions, to cater for the local area in which they propose to run their business. This Authority fully supports the 'Bet Watch' scheme introduced in 2018 within the borough. This Authority expects operators of relevant premises to actively participate in the scheme in order to demonstrate their commitment to protecting vulnerable people from gambling harm.

### **Local Risk Assessments**

- 5.10 Applicants should also be aware of areas with concentrations of hostels and other types of accommodation for vulnerable people. Where they propose to make an application for the new grant of a premises licence, or a variation to an existing licence, in such areas they should explain fully in their Local Risk Assessment (LRA) how they will mitigate any risks of operating gambling premises in close proximity to concentrations of housing for vulnerable people or proximity to churches, mosques, temples or any other place of worship. Religious premises and places of worship are often focal points for a percentage of vulnerable members of the local community, including the homeless community and youth population and have therefore been included in this policy, rather than for any moral or ethical reasons.
- 5.11 Some publicly available sources of information to assist in operators completing a Local Risk Assessment (LRA) include:
- (a) the Crime Mapping website;
  - (b) Neighbourhood Statistics websites;
  - (c) websites or publications by local responsible authorities;
  - (d) websites or publications by local voluntary schemes and initiatives; and
  - (e) on-line mapping tools.
  - (f) Information leaflets and helpline numbers, from organisations such as GamCare and GambleAware, for customers who may have a gambling addiction. The National Programme Gambling Clinic is also currently developing a patient information leaflet which will include referral criteria and key contact details.
- 5.12 This Authority will expect applicants for the new grant of, or variation to an existing, licence to also submit their LRA to comply with the Licence Conditions and Codes of Practice (LCCP) - *Social Responsibility (SR) code 10.1.1 and Ordinary code provision 10.1.2*. Additional licence conditions will only be considered where there is evidence that gambling premises in a particular area will exacerbate the risk of harm to vulnerable, and young, people, and where there is evidence that

they are necessary in order to promote the licensing objectives. There is no presumption that because a gambling premises is proposed to be located in a specific location that there will be a need for additional licence conditions, or that an individual application will be rejected. We strongly recommend that operators of licensed premises keep their Local Risk Assessments on the individual licensed premises and ensure that it is available for inspection.

The LCCP also states that a LRA must also be submitted when changes in the local environment or the premises warrant a LRA to be conducted again. This may be where:

- Any substantial building development or conversion of existing premises in the local area which may increase the number of vulnerable persons in the area.
- Educational facilities increase in the local area. This may occur as a result of the construction of a new school/college or where a significant change is made to an existing establishment.
- Any vulnerable group is identified by the Licensing Authority or venues relating to those vulnerable groups are opened in proximity to gambling premises (e.g. additional homeless hostels or gambling or mental health care/ support facilities are opened in the local area).

The Authority will expect the local risk assessment to consider:

- the location of services for children such as schools, playgrounds, leisure/community centres and other areas where children and young people will congregate such as youth clubs, parks, bus stops, cafés, shops, entertainment venues such as cinemas, bowling allies and any other place where children are attracted.
- the demographics of the area in relation to vulnerable groups
- whether the premises is in an area subject to high levels of crime and/or disorder, including areas that are prone to youths participating in antisocial behaviour, e.g. graffiti/tagging or underage drinking.
- how vulnerable people, including people with gambling dependencies are protected.
- assessing staffing levels when a local college closes and the students begin to vacate the grounds.
- age verification policies such as 'Challenge 25'.
- How joining schemes such as Betwatch could help reduce crime and antisocial behavior.
- line of sight from the counter to gambling machines.
- information held regarding self-exclusions and incidences of underage gambling.
- gaming trends that may mirror days for financial payments such as pay days or benefit payments
- proximity of premises which may be frequented by vulnerable people such as hospitals, residential care homes, medical facilities, doctor's surgeries, council housing offices, addiction clinics or help centres, places where alcohol or drug dependant people may congregate.

#### 5.13 Appropriate licence conditions may be as follows:

- All gaming machines are in an area of the premises which is separated from the rest of the premises by a physical barrier which prevents people from entering other than through a specific entrance,
- Only adults are allowed into the area where these machines are located,
- Access to the area where the machines are located is supervised,
- The area where these machines are located must be arranged so that it can be monitored by the staff or the licence holder,
- Recognised proof-of-age schemes must be in place,

- Notices should be clearly displayed showing that people under 18 are not allowed at the entrance to, and inside any of, these areas.
- The entrance and gaming machines must be in appropriate places,
- Closed-circuit television must be provided,
- Door supervisors must be provided,
- There must be specific opening hours,
- There must be self-barring schemes. This means that problem gamblers can ask for their casual membership to be suspended and ask to be denied entry so they can deal with their addiction,
- Information leaflets and helpline numbers for organisations such as GamCare, GambleAware, and the National Programme Gambling Clinic (once information leaflets have been finalised) must be provided.

5.14 The licensing authority will ensure that where category C or above machines are on offer in premises to which children are admitted the following conditions should apply:

- remainder of the premises is divided by a physical barrier which is effective to prevent any views of machines in category C or above and any access to them other than through a designated entrance;
- only adults are admitted to the area where these machines are located;
- access to the area where the machines are located is supervised;
- the area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and at the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

5.15 The licensing authority expects all premises licence applications to specify opening hours. Particular attention will be paid to the opening hours for Adult Gaming Centres and Family Entertainment Centres which do not have opening hours specified as part of their mandatory conditions.

5.16 These considerations will also apply to premises where more than one premises licence is needed.

### **Door Supervisors**

5.17 We may consider whether door supervisors are needed to meet the licensing objectives of protecting children and vulnerable people from being harmed or exploited by gambling, and also in terms of preventing premises becoming a source of crime. In particular, we would expect the appropriate numbers of door supervisors to be employed at premises where alcohol is sold, and operate beyond 11pm. We may feel it necessary to add specific conditions in relation to door supervisors, particularly where the door supervisors do not have to be registered with the SIA. These conditions may include:

- the need to be easily identifiable, with the person's name badge clearly on display;  
and
- the need to have received specific training related to the task being performed.

5.18 This recognises the work door supervisors carry out, which includes searching individuals, dealing with potentially aggressive people, where there are concerns about child sexual exploitation and so

on.

5.19 For premises other than casinos and bingo premises, operators and licensing authorities may decide that entrances and machines should be supervised in particular cases, but they will need to decide whether these supervisors need to be licensed by the SIA or not. It will not be automatically assumed that they need to be.

5.20 There is no evidence that, generally, betting offices need door supervisors to protect the public. The authority will only require a betting shop to appoint a door supervisor if there is clear evidence that the premises cannot be properly supervised from the counter.

## **6 Responsible authorities**

6.1 The responsible authorities as defined by the Act are listed in the glossary under section 25 of this policy.

6.2 Contact details of all the responsible authorities under the Act can be obtained from our website at [www.lbhf.gov.uk](http://www.lbhf.gov.uk)

6.3 We must set out the principles we will apply when naming an organisation which will be able to advise us on protecting children from harm. The principles are that the organisation must be:

- responsible for an area covering the whole of the licensing authority's area; and
- be answerable to elected people, rather than any group with an interest in gambling.

6.4 We appoint the Local Safeguarding Children's Board (LSCB) for this purpose.

## **7 Relevant representations and interested parties**

7.1 Interested parties can comment on licence applications, or apply for a review of an existing licence. Interested parties are defined in section 158 of the Act as follows: 'For the purposes of this part a person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the licensing authority which issues the licence or to which the application is made, the person:

- lives sufficiently close to the premises to be likely to be affected by the authorised activities;
- has business interests that might be affected by the authorised activities; or
- represents persons who satisfy paragraph (a) or (b).'

7.2 The Gambling Commission has recommended that we make it clear that interested parties include trade associations and trade unions, and residents' and tenants' associations (Gambling Commission guidance for local authorities 8.16 and 8.177). However, we will not generally view these organisations as interested parties unless they have a member who can be classed as an interested person under the terms of the Act (that is, lives close enough to the premises or has business interests that might be affected by the activities being applied for).

7.3 Interested parties can be people who are democratically elected such as Councillors and MPs. We will not need specific evidence of them being asked to represent an interested person as long

as the Councillor or MP represents the ward that is likely to be affected. Other than these, however, we will generally need written evidence, e.g. a letter, that a person or organisation 'represents' someone who either lives close enough to the premises to be likely to be affected by the authorised activities or has business interests that might be affected by the authorised activities.

- 7.4 If people want to approach Councillors to ask them to represent their views, they should be careful that the Councillors are not part of the licensing committee dealing with the licence application. Councillors may be restricted in representing constituents under the members' code of conduct in cases where they have a particular interest. Please contact us if there are any doubts.
- 7.5 We will decide each case individually. We will not apply a strict rule when making decisions. We will consider Part 8 of the Gambling Commission's guidance for local authorities (September 2015 Edition - Parts 17, 18 and 19 updated in September 2016) should we need any clarity regarding the validity of any particular representations.
- 7.6 Representations will not be accepted if they do not relate to one or more of the three licensing objectives (as set out in section 1.3 of this policy). 'Frivolous' or 'vexatious' representations will not be accepted as valid.
- 7.7 Environmental issues such as noise or light pollution cannot be considered under the Act as they do not relate to the licensing objectives. Issues of this type can be considered under the Environmental Protection Act 1990 and should be referred to the Council's Noise and Nuisance team on: 0208 753 1081 or: [environmentalprotection@lbhf.gov.uk](mailto:environmentalprotection@lbhf.gov.uk)

## 8 Reviews

- 8.1 An interested party or a responsible authority (see the glossary at section 22 for a list of relevant authorities) may apply to the Council to review a premises licence. Such reviews can be made in relation to, amongst other things;
- i) if there are repeated incidents of crime and disorder associated with the premises, or the gambling activity, which the premises operator has failed to adequately address,
  - ii) where incidents that have adversely effected one or more licensing objectives have occurred at a premises that could have been prevented if advice and guidance from a responsible authority had been taken account of,
  - iii) if the premises is either attracting children or people likely to be involved in crime and disorder, e.g. child sexual exploitation, due to the activities being undertaken.

An application to review a premises licence may be made requesting that conditions relating to age verification policies are applied to the licence where an underage test purchase has been made.

- 8.2 As a review of a premises licence can lead to its revocation, the Council will consider what informal action has been undertaken by the applicant, or the licence holder, prior to the review application being made. The Council accepts that an application for review may be appropriate without

informal measures first being requested by an applicant, but will actively encourage appropriate alternative forms of action being considered prior to review applications being made.

8.3 Our decision will be based on whether the request for the review:

- raises an issue related to any relevant code of practice, any relevant guidance issued by the Gambling Commission, the licensing objectives or this statement;
- is frivolous or vexatious;
- could possibly lead to a decision to alter, revoke (withdraw) or suspend the licence; or
- raises grounds that are substantially the same as, or different from, grounds within an earlier request for a review or from representations made in relation to the application for the premises licence.

8.4 We can also review a licence for any reason we consider to be appropriate under the law.

## **9 Enforcement**

9.1 We are committed to the Regulators' Code in terms of reducing regulatory burdens and supporting compliant business growth through the development of an open and constructive relationship between us and those we regulate. Our commitment extends to aiming to design our service and policies in a manner that best suits the needs of business, by complying with the principles based framework for regulatory delivery within the Regulators' Code. We will ensure that any enforcement action complies with the 'Regulators Code' and, to support or enable economic growth for compliant businesses, we will endeavour to:

- understand and minimise negative economic impacts of our regulatory activities;
- minimise the costs of compliance for those we regulate;
- improve confidence in compliance for those we regulate, by providing greater certainty; and
- choose proportionate, transparent and effective approaches to encourage and promote compliance

We will act in accordance with our Enforcement Policy. Bearing in mind the principle of transparency, our Enforcement Policy is available on our website.

9.2 We will also follow a risk-based inspection program. In accordance with the Gambling Commission's guidance and the 'Regulators Code' we will provide the criteria we will use for this on request, or provide the information on our website. In accordance with the Regulators Code only those premises identified as being 'high risk' premises will be routinely inspected. Officers will only visit premises where there is a reason to do so (e.g. as part of a complaint investigation).

9.3 Once premises have been licensed it is essential that they are monitored to make sure that they are run in accordance with their operating schedules and with any licence conditions. It will also be important to monitor the borough for unlicensed premises.

9.4 The main enforcement role for us in terms of the Act will be to make sure that premises are used in accordance with the licences and other permissions which we authorise. The Gambling Commission will be the enforcement body for operating and personal licences. The Gambling Commission will also deal with concerns about the manufacture, supply or repair of gaming machines.

- 9.5 We will investigate complaints about licensed premises in relation to the licensing objectives or offences under the Act. If it is not appropriate for you to raise the complaint directly with the licence holder or business concerned to try and find a solution, please contact us for advice or information. There may be circumstances where the premises may be operating in a way that could result in enforcement action, e.g. a complaint in relation to criminal activities or that it is being used by children. In these circumstances we would recommend that you provide us with this information directly rather than speaking with the licence holder or business concerned. We can then refer the information to the appropriate authority for further investigation or for information.
- 9.6 This Licensing Authority recognises that certain bookmakers have a number of premises within its area. In order to ensure compliance issues are recognised and resolved at the earliest stage, the Licensing Authority will contact the Primary Authority for the business. Where there is no Primary Authority Partnership in place, operators are requested to give the Authority a single named point of contact, who should be a senior individual, and whom the Authority will contact first should any compliance queries or issues arise.

## **10 Exchanging information**

- 10.1 We will exchange information in accordance with the Act and Data Protection legislation.
- 10.2 We will also consider any guidance issued by the Department for Business, Energy and Industrial Strategy (BEIS), or the Gambling Commission to local authorities on this matter as well as any relevant regulations issued by the Secretary of State under the powers provided in the Act.
- 10.3 When the law allows, the Licensing Authority will agree secure mechanisms to share information with other regulators about gambling premises, to help target resources and activities and minimise duplication.

## **11 Provisional statements**

- 11.1 We will decide whether premises can be considered for a premises licence. The guidance issued by the Gambling Commission advises that the building should be complete so that the authority could, if necessary, carry out a full inspection.
- 11.2 We cannot consider any more representations from relevant authorities or interested parties after we have issued a provisional statement, unless they concern matters which could not have been dealt with at the provisional statement stage, or they reflect a change in circumstances. We may also refuse the premises licence (or grant it on terms different to those attached to the provisional statement) if the matter:
- could not have been raised by objectors at the provisional licence stage; or
  - reflects a change in the operator's circumstances.

## **12 Temporary-use notices**

- 12.1 These allow premises to be used for gambling where there is no premises licence but where a

gambling operator wants to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a temporary-use notice would include hotels, conference centres and sporting venues.

12.2 A temporary-use notice may only be granted to a person or company holding a relevant operating licence. For example, the holder of a betting operating licence could apply to provide betting facilities at a snooker tournament.

12.3 The Secretary of State will list the gambling activities that may be covered by a temporary-use notice, as well as activities that may not be and activities that may not be combined with any other.

### **13 Occasional-use notices**

13.1 Where there is betting on a track on eight days or less in a calendar year, betting may be allowed under an occasional-use notice without the need for a full premises licence.

13.2 We have limited power in relation to these notices other than making sure that betting is not allowed for more than eight days in a calendar year.

### **14 Consultation**

14.1 We will expect you to advertise the application in line with the regulations made under the Act. An applicant for the grant or variation of a licence, or for a provisional statement is required to advertise the application by means of:

- a notice displayed at the premises for 28 consecutive days starting on the day the application is made to the licensing authority, and
- publication of the notice of application in a local newspaper within 10 working days of submitting the application to the licensing authority.

The notices must be in the prescribed form.

The consultation period for applications runs for 28 days starting the day the application is made to the licensing authority.

14.2 We will carry out a consultation process in line with the regulations made under the Act. In exceptional circumstances we may consider it appropriate to carry out a more thorough public consultation. We will publicise details of applications received.

### **15 Adult gaming centres (AGCs), family entertainment centres (FECs) licensed to sell alcohol, bingo premises, betting premises.**

15.1 When deciding applications for a premises licence for these premises, we will consider the need to protect children and vulnerable people from harm or being exploited by gambling. We will expect you to satisfy us that there will be enough measures in place to meet this licensing objective. Appropriate measures could include training for staff on how to deal with suspected



truanting school children on the premises or how to recognise signs of potential child sexual exploitation.

15.2 We will expect you to offer your own measures to meet the licensing objectives. Appropriate measures and licence conditions may include the ones listed in section 5 and Annex 2 of this policy.

15.3 We will consider the guidance issued by the Gambling Commission and will take into account the size, suitability, layout of the premises and, if relevant, the number of counters available for face-to-face transaction.

15.4 Providing the Licensing Authority with details of where a child or young person repeatedly attempts to gamble on their premises may provide the Licensing Authority with an opportunity to consider safeguarding concerns. The Licensing Authority continues to raise awareness in cooperation with the Metropolitan Police of child sexual exploitation, via Operation Makesafe, amongst the business community. To date, efforts have been focussed on providing awareness to hotels, taxi companies and licensed premises.

15.5 Larger operators are responsible for conducting/taking part in underage testing, results of which are shared with the Gambling Commission. Operators are encouraged to also make the results available to licensing authorities, as far as is practicable.

## **16 Family Entertainment Centres (FECs) not licensed to sell alcohol**

16.1 If an operator does not hold a premises licence but wants to provide gaming machines he may apply to us, the licensing authority, for this permit. The person applying must show that the premises will be completely or mainly used for gaming machines (section 238 of the Act).

16.2 Unlicensed FECs will be able to offer only category-D machines with a gaming machine permit. There can be any number of category-D machines with such a permit (depending on other considerations such as fire regulations and health and safety, which will not be issues for the licensing authority under the Act). We cannot issue permits for vessels or vehicles.

16.3 As part of any Unlicensed Family Entertainment permit application, the Council will require applicants to demonstrate:

- a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs;
- that the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act); and
- that staff are trained to have a full understanding of the maximum stakes and prizes (para 24.7 of the Act)

16.4 The Council will expect the applicant to show that there are policies and procedures in place to protect children and vulnerable people from harm (Social Responsibility Code 3). Harm in this context is not limited to harm from gambling but includes wider child protection and potential child sexual exploitation considerations. The efficiency of such policies and procedures will each be considered on their merits. However, they may include:

- measures/training for staff concerning suspected truant school children on the premises;
- measures/training covering how staff would deal with unsupervised, very young children being on the premises;
- measures/training covering how staff would deal with children causing perceived problems on or around the premises;
- measures/training covering how staff would identify the signs and symptoms of persons engaged in the illegal use, or under the influence, of controlled drugs and/or alcohol.

## **17 Casinos**

17.1 We have a 'no casino' resolution in this borough.

17.2 The 'no casino' resolution came into effect on the same date as the original Statement of Gambling policy. We will review this resolution at least every three years, and can withdraw it at any time.

17.3 This means that we will not consider any applications for a premises licence for a casino. We will return any applications we receive with a notice that a 'no casino' resolution is in place.

## **18 Tracks**

18.1 We are aware that tracks may need more than one premises licence and we will especially consider the effect on the third licensing objective (that is, protecting children and vulnerable people from being harmed or exploited by gambling).

18.2 We would expect you to show that suitable measures are in place to make sure that children do not have access to adult-only gaming facilities. Appropriate measures and licence conditions may include the ones listed in section 5 and Annex 2 of this policy.

18.3 We will expect you to have plans that explain very clearly what you want authorisation for under the track betting premises licence and which, if any, other areas need a separate application for a different type of premises licence.

## **19 Travelling fairs**

19.1 We will firstly consider whether you fall within the legal definition of a travelling fair.

19.2 It will fall to this Licensing Authority to decide whether, where category D machines and/or equal chance prize gaming without a permit are to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.

19.3 Fairs cannot be held on a particular piece of land for more than 27 days per calendar year, no matter whether it is the same or a different travelling fair using the land. We will work with our neighbouring authorities to make sure that land which crosses administrative boundaries is monitored to ensure legal limits are not broken.

## **20 Gaming machine permits for premises that sell alcohol**

20.1 Premises licensed to sell alcohol for people to drink on the premises are entitled to have two gaming machines, of categories C and/or D. The licensee must provide notification, and we can remove this entitlement if:

- the machines are not provided in line with the licensing objectives;
- gambling has taken place on the premises that breaks a condition of section 282 of the Act (that is, written notice has not been provided to the licensing authority, a fee has not been paid and any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has not been met);
- the premises are mainly used for gambling; or
- an offence under the Act has been committed on the premises.

20.2 If a licensee wants to have more than two machines, they need to apply for a permit and we must consider that application based on the licensing objectives, any guidance issued by the Gambling Commission issued under section 25 of the Act, and any other relevant conditions.

20.3 One of the licensing objectives is to protect children and vulnerable people from harm or being exploited by gambling. We will expect you to show us that there will be enough measures to make sure that people under 18 do not have access to the adult-only gaming machines. Appropriate measures and licence conditions may include the ones listed in section 5 above and Annex 2.

20.4 Some alcohol-licensed premises may apply for a premises licence for areas of the premises which are not licensed for selling alcohol. Any such application would most likely need to be made and dealt with as a premises licence for an adult gaming centre.

20.5 We can decide to grant the application with a smaller number of machines or different category of machines than those applied for. Conditions (other than these) cannot be attached.

20.6 The holder of a permit must follow any code of practice issued by the Gambling Commission about where and how the machine must be used.

## **21 Prize gaming permits**

21.1 This Authority has not adopted a statement of principles on permits under Schedule 14 paragraph 8 (3) of the Act.

21.2 Gaming is defined as prize gaming if the nature and size of the prize does not depend on the number of people playing or the amount paid for or raised by the gaming. The operator decides the price before anyone starts to play on the machines.

21.3 A prize gaming permit is a permit we issue to authorise gaming facilities with prizes on specific premises.

21.4 An application for a permit can only be made by a person who uses or plans to use the relevant

premises. If the applicant is an individual, they must be aged 18 or over. An application for a permit cannot be made if a premises licence or club gaming permit is already in existence for the same premises.

The application must be made to the authority in whose area the premises are completely or partly situated.

21.5 When making our decision on an application for this permit, we do not need to consider licensing objectives but must consider any Gambling Commission guidance.

21.6 There are conditions in the Act which the permit holder must follow. These are:

- the limits on participation fees, as set out in regulations;
- all chances to take part in the gaming must be offered on the premises on which the gaming is taking place and on one day, the game must be played and completed on the day the chances are offered and the result of the game must be made public in the premises on the day that it is played;
- the prize for which the game is played must not be more than the amount set out in regulations (if a money prize), or the set value (if a non-monetary prize); and
- taking part in the gaming must not entitle the player to take part in any other gambling.

## **22 Club gaming and club machine permits**

22.1 Members' clubs and miners' welfare institutes (but not commercial clubs) may apply for a club gaming permit or a club gaming machine permit.

22.2 Gambling Commission guidance states: 'Members clubs must have at least 25 members and be established and conducted "wholly or mainly" for purposes other than gaming, unless the gaming is permitted by separate regulations. It is anticipated that this will cover bridge and whist clubs, which will replicate the position under the Gaming Act 1968. A members' club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men's clubs, branches of the Royal British Legion and clubs with political affiliations'.

22.3 We may only refuse an application if:

- you do not fulfil the requirements for a members' or commercial club or miners' welfare institute and so are not entitled to receive the type of permit which you have applied for;
- your premises are used wholly or mainly by children or young people;
- you have committed an offence under the Act or have broken the conditions of a permit while providing gaming facilities;
- a permit held by you has been cancelled in the previous 10 years; or
- an objection has been lodged by the Commissioner of Police.

22.4 There are conditions attached to club gaming permits that no child uses a category-B or category-C machine on the premises and that the holder follows any relevant code of practice about where and how gaming machines are used.

## **23. Small Society Lotteries**

23.1 Under the Act, a lottery is unlawful unless it runs with an operating licence or is an exempt lottery. The Licensing Authority will register and administer small society lotteries (as defined). Promoting or facilitating a lottery will fall within 2 categories:

- licensed lotteries (requiring an operating licence from the Gambling Commission); and
- exempt lotteries (including small society lotteries registered by the Licensing Authority)

23.2 The Licensing Authority recommends those seeking to run lotteries take their own legal advice. Guidance notes on small society lotteries, limits placed on them and information setting out financial limits can be found on our web-site or by contacting the Licensing Team. Applicants for registration of small society lotteries must apply to the Licensing Authority in the area where their principal office is located.

23.3 Lotteries will be regulated through; a licensing and registration scheme, conditions imposed on licences by the Gambling Commission, codes of practice and any guidance issued by the Gambling Commission. In exercising its functions with regard to small society and exempt lotteries, the Licensing Authority will have due regard to the Gambling Commission's guidance.

The Licensing Authority will accept society lottery returns either manually but preferably electronically by email.

## 24 Other Information

24.1 **Annual Licence fee** – The Gambling Act 2005 requires every holder of a gambling licence to pay an annual fee to the Licensing Authority. Failure to pay the annual fee may result in the revocation of the premises licence.

24.2 **Public Health considerations** - Whilst there may be evidence that problem gamblers and their families are at risk of significant health and social problems such as mental illness, drug and alcohol misuse, relationship breakdown, criminal activity and financial difficulties, public health is not a licensing objective and therefore cannot be taken into account, when deciding on applications. The Licensing Authority will however continue to liaise with public health colleagues about new and variation applications within the borough, so that we can both continue to monitor any increase in access to gambling opportunities for those at risk of problem gambling, and work jointly to ensure that appropriate measures are put in place to minimise that risk and support those seeking help.

24.3 **Equalities** - The Equality Act 2010 places a legal obligation on public authorities to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; to advance equality of opportunity; and to foster good relations between persons with different protected characteristics. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. Hammersmith and Fulham Council has an Equal Opportunities Policy and this revised Statement of Gambling Policy will be monitored for any adverse impact on the promotion of opportunities for all.

This Statement of Gambling Policy recognises the Race Relations Act 1976. The Licensing

Authority will have due regard to the need to eliminate unlawful discrimination, and to promote equality of opportunity and good relations between persons of different racial groups.

24.4 **Email Alerts** - If you are interested in being notified about new applications you can register on our website for licensing application email alerts and receive regular updates about applications in your area.

24.5 **The Local Plan** - The Local Plan sets out the Council's planning policies for developing land, improving transport and protecting the environment. The Council is required to determine planning applications in accordance with the Local Plan, the London Plan and any other material considerations.

24.6 **Review of the Statement of Gambling Policy** - Under the Gambling Act 2005, the Licensing Authority must carry out a review of its Statement of Gambling Policy every three years. In accordance with the Act, the Licensing Authority intends to carry out a further full review of its policy no later than 2021 and, prior to publishing the revised version, it intends to consult fully with those groups and individuals consulted on this version. In addition, within the three-year period the Licensing Authority will review its Statement of Gambling Policy whenever it feels that relevant issues have arisen - for example, if any further significant amendments are made to the Gambling Act 2005, Guidance or Codes of Practice. Any website links within this document that do not work will be updated or removed. Issues that arise concerning implementation of the policy will be recorded in an issue log and taken into account during any review.

DRAFT

## 25 Glossary

25.1 **Adult gaming centre** – premises that may have up to four category-B machines (restricted to B3 and B4), any number of category-C machines and any number of category-D machines.

25.2 **Betting premises** – a premises that may have up to four gaming machines of category-B (restricted to B2, B3 and B4), C or D.

25.3 **Bingo premises** – a premises that may have up to four category-B machines (restricted to B3 and B4), any number of category-C machines and any number of category-D machines.

25.4 **Categories of gambling** – regulations will define the classes according to the maximum amount that can be paid for playing the machine and the maximum prize it can deliver. These are the current maximum stakes and prizes:

*These stakes and prizes are subject to change by Central Government*

Machine category	Maximum stake (from January 2014)	Maximum prize (from January 2014)	Allowed premises
A	Unlimited	Unlimited	Regional Casino
B1	£5	£10,000 (with the option of a maximum £20,000 linked progressive jackpot on a premises basis only)	Large Casino, Small Casino, Pre-2005 Act Casino and Regional Casinos
B2	£100	£500	Betting premises and tracks occupied by pool betting and all of the above
B3	£2	£500	Bingo premises, Adult gaming centre and all of the above
B3A	£2	£500	Members' club or Miners' welfare institute only
B4	£2	£400	Members' club or Miners' welfare club, commercial club and all of the above.
C	£1	£100	Family entertainment centre (with Commission operating licence), Qualifying alcohol licensed premises (without additional gaming machine permit), Qualifying alcohol licensed premises (with additional LA gaming machine permit) and

Machine category	Maximum stake (from January 2014)	Maximum prize (from January 2014)	Allowed premises
			all of the above.
D money prize	10p	£5	Travelling fairs, unlicensed (permit) Family entertainment centre and all of the above
D non-money prize (other than crane grab machine)	30p	£8	All of the above.
D non-money prize (crane grab machine)	£1	£50	All of the above.
D combined money and non-money prize (other than coin pusher or penny falls machines)	10p	£8 (of which no more than £5 may be a money prize)	All of the above.
D combined money and non-money prize (coin pusher or penny falls machine)	20p	£20 (of which no more than £10 may be a money prize)	All of the above.

- 25.5 **Club machines permit** – a premises will need this permit if it is a members' club, a commercial club or a miners' welfare institute, with up to three machines of category-B (restricted to B4) C or D (that is, three machines in total).
- 25.6 **Family entertainment centre** (with commission operating licence) – a premises that may have any number of category-C machines and any number of category-D machines. Category-C machines must be in a separate area to make sure that they are only played by adults.
- 25.7 **Family entertainment centre** (with gaming machine permit) – a premises that may have any number of category-D machines. There is no power for the licensing authority to set a limit on the number of machines covered by the permit.
- 25.8 **Gaming machines** – all machines on which people can gamble.
- 25.9 **Occasional-use notices** – where there is betting on a track on eight days or less in a calendar year, betting may be allowed under an 'occasional-use notice' without the need for a full premises licence.



- 25.10 **Primary Authority** – Where a chain of businesses and a specific Local Authority agree, that Authority becomes the ‘Primary Authority’ for those businesses. The authority will ensure consistent regulation, improving the professionalism of front-line regulators, and giving businesses a say in their regulation. Where another Local Authority has concerns about compliance issues, it must refer to the Primary Authority for directions.
- 25.11 **Provisional Statement** - Where an applicant can make an application to the Licensing Authority in respect of premises that he:
- Expects to be constructed
  - Expects to be altered
  - Expects to acquire a right to occupy.
- 25.12 **Regulators’ code** – protects the public, the environment and groups such as consumers and workers through the 'business-friendly' enforcement of regulations. It is a procedure that can be adopted by enforcement officers to help businesses and others meet their legal responsibilities without unnecessary expense while taking firm action, including prosecution where appropriate, against those who break the law or act irresponsibly.
- 25.11 **Remote gambling** – gambling that takes place on the internet.
- 25.13 **Responsible authorities** – these are public organisations that must be told about applications and that are entitled to make representations to the licensing authority in relation to applications for, and in relation to, a premises licence. They are:
- a licensing authority in whose area the premises are completely or partly situated;
  - the Gambling Commission;
  - the chief officer of police or chief constable for the area in which the premises are completely or partly situated;
  - the fire and rescue authority for the same area;
  - the local planning authority;
  - the noise and nuisance team;
  - the Local Safeguarding Children’s Board (LSCB); and
  - Her Majesty's Commissioners of Customs and Excise.
  - any other person prescribed for the purposes of this section by regulations made by the Secretary of State
- 25.14 **Reviews** - Applications for a review of a premises licence can be made by interested parties or responsible authorities. However, it is for the Licensing Authority to decide whether the review application is valid and/or whether it is appropriate to carry out the review, given the circumstances.
- 25.15 **Spread betting** – allows an investor to bet on whether they believe that the price quoted is likely to strengthen (go up in value) or weaken (go down in value). The profit or loss for a spread bet depends on the difference in the buy and sell price.

- 25.16 **Small Society Lottery** - A lottery promoted on behalf of a non-commercial society, i.e. lotteries intended to raise funds for good causes.
- 25.17 **Temporary-use notices** – these allow premises to be used for gambling where there is no premises licence but where a gambling operator wants to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a temporary-use notice would include hotels, conference centres and sporting venues.
- 25.18 **Travelling fair** – completely or mainly providing amusements on a site that has been used for fairs for no more than 27 days in each calendar year. Any number of category-D machines can be made available but the facilities for gambling must not be the main amusements at the fair.

DRAFT

## Annex 1 Mandatory Conditions

### Gambling Act 2005 Mandatory and Default Conditions by premises type

All Premises		
All	Summary of the terms and conditions of the premises licence shall be displayed in a prominent place with the premises.	Mandatory
All	The layout of the premises shall be maintained in accordance with the plan.	Mandatory
All	The premises shall not be used for the sale of tickets in a private lottery or customer lottery or the sale of tickets in any other lottery in respect of which the sale of tickets on the premises is otherwise prohibited.	Mandatory

Betting Premises		
Betting Premises	A notice stating that no person under the age of 18 is permitted to enter the premises shall be displayed in a prominent place at every entrance to the premises.	Mandatory
Betting Premises	Access to the premises shall be from a street or from other premises with a betting premises licence. Apart from this there must be no direct access between the premises and other premises which are used for the retail sale of merchandise or services.	Mandatory
Betting Premises	The premises shall not be used for any purpose other than for providing facilities for betting apart from anything permitted under the Gambling Act 2005 and having an ATM, permitted visual/sound apparatus and permitted publications.	Mandatory
Betting Premises	Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to leave any gaming machine or betting machine in order to do so.	Mandatory
Betting Premises	No apparatus for making information or other material available in the form of sounds or visual images may be used on the premises, except for apparatus used for the following purposes: a) Communicating information about, or coverage of, sporting events, including- (i) information relating to betting on such an event; and (ii) any other matter of information, including an advertisement, which is incidental to such an event; b) Communicating information relating to betting on any event (including the result of an event) in connection with which betting transactions may be or have been effected on the premises.	Mandatory
Betting Premises	No publications, other than racing periodicals or specialist betting publications, may be sold or offered for sale on the premises.	Mandatory
Betting Premises	No music, dancing or other entertainment shall be provided or permitted on the premises, save for entertainment provided via the sound/visual apparatus referred to above.	Mandatory
Betting Premises	No alcohol shall be permitted to be consumed on the premises at any time during which facilities for gambling are being provided on the premises. A notice explaining this shall be displayed in a prominent place at every entrance to the premises.	Mandatory
Betting Premises	A notice setting out the terms on which customers are invited to bet on the premises shall be displayed in a prominent place on the premises to which customers have unrestricted access.	Mandatory
Betting Premises	<b>HOURS:</b> No facilities for gambling shall be provided on the premises between the hours of 10pm on one day and 7am on the next day.	Default

Betting Tracks only		
Tracks(all)	No customer shall be able to access the premises directly from another premises which has a casino premises licence or an adult gaming centre premises licence.	Mandatory
Tracks (all)	A notice stating that no person under the age of 18 is permitted to bet on the premises shall be displayed in a prominent place at every public entrance to the premises.	Mandatory
Tracks(all)	The terms on which a bet may be placed must be displayed in a prominent place within the premises to which customers wishing to use facilities for betting have unrestricted access.	Mandatory
Tracks(all)	The premises licence holder shall make arrangements to ensure that betting operators who are admitted to the premises for the purpose of accepting bets (a) will be operating under a valid operating licence; and (b) are enabled to accept such bets in accordance with- (i) the conditions imposed under sections 92 (general betting operating licence) or 93 (pool betting operating licence) of the 2005 Act, or (ii) an authorisation under section 94 (horse-race pool betting operating licence) of that Act	Mandatory
Tracks(all)	The premises licence holder shall make arrangements to ensure that reasonable steps are taken to remove from the premises any person who is found to be accepting bets on the premises otherwise than in accordance with the 2005 Act.	Mandatory
Tracks(all)	Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease gambling in order to do so.	Mandatory
Horseracing Tracks (converted from an existing track)	The licence holder shall ensure that any part of the tracks which, prior to 1 <sup>st</sup> September 2007, were made available for betting operators (or their assistants) will continue to be so.	Mandatory
Horseracing Tracks (converted from an existing track)	The charge for admission to an existing betting area for providing facilities for betting shall not exceed five times the cost of the highest charge paid by members of the public (for betting operators) or the highest charge paid by member of the public (for the betting operator's assistant). All betting operators and betting operators' assistants will be charged the same for admission to the same part of the track. No other charge may be made and the charges must only cover reasonable costs.	Mandatory
Horseracing tracks (all)	The premises licence holder shall provide a place on the premises where betting operators and betting operators' assistants may provide facilities for betting. This does not apply to converted licences prior to the 01 September 2012.	Mandatory
Dog Tracks	A totalisator on the premises shall only be operated at a time when the public are admitted for the purpose of attending dog races and no other sporting events are taking place on the premises, and for the purpose of effecting betting transactions on the dog races taking place on the premises.	Mandatory
Dog Tracks	At any time when the totalisator is being used, no betting operator or betting operator's assistance shall be excluded from the premises for the reason that s/he proposes to negotiate bets on the premises. There must also be space made available where the betting operators and their assistants can conveniently accept and negotiate bets in connection with the dog races running on the premises that day.	Mandatory
Tracks (all)	<b>HOURS:</b> No facilities for gambling shall be provided on the premises between the hours of 10pm on one day and 7am on the next, except where there is a sporting event taking place on the premises. Where there is a sporting event taking place on the premises then gambling may take place at any time that day.	Default

Bingo		
Bingo	A notice stating that no person under the age of 18 is permitted to play bingo on the premises shall be displayed in a prominent place at every entrance to the premises.	Mandatory
Bingo	No customer shall be able to enter the premises directly from any other premises in respect of which one of the following permissions has effect: <ul style="list-style-type: none"> <li>• A casino premises licence</li> <li>• An adult gaming centre premises licence</li> <li>• A betting premises licence other than a track premises licence</li> </ul>	Mandatory
Bingo	Where children and/or young persons are permitted by the licence holder to enter the premises, and category B or C gaming machines are made available for use on the premises, then the gaming machines must be: <ul style="list-style-type: none"> <li>• separated from the rest of the premises by a physical barrier to prevent access other than via an entrance designed to be the entrance</li> <li>• supervised at all times to ensure children or young persons do not enter the area</li> <li>• arranged so that the area can be observed by persons responsible for supervision or closed circuit television which is monitored</li> <li>•</li> </ul> The gaming machines area must also have a notice at the entrance stating that no person under the age of 18 years is permitted to enter the area.	Mandatory
Bingo	Where there is a charge for admission there must be a notice of the charge displayed in a prominent place at the principal entrance to the premises.	Mandatory
Bingo	A notice setting out any other charges in respect of the gaming (except prize gaming) shall be displayed at the main point where payment for the charge is to be made. Such a notice must include the cost (in money) of each game card or set of game cards, payable by an individual in respect of the game of bingo, and the amount that will be charged by way of a participation fee. There should also be in the notice a statement that all/part of the participation fee may be waived at the discretion of the person charging it. This notice can be displayed in electronic form.	Mandatory
Bingo	The rules of each type of game that is available (other than gaming machines) shall be made available to customers within the premises by either displaying a sign, making leaflets or other written material available, or running an audio-visual guide prior to any game commencing.	Mandatory
Bingo	Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease gambling in order to do so.	Mandatory
Bingo	<b>HOURS:</b> No facilities for gambling shall be provided on the premises between midnight and 9am, apart from gaming machines.	Default

<b>Arcades</b>		
Adult Gaming Centres	A notice stating that no person under the age of 18 is permitted to enter the premises shall be displayed in a prominent place at every entrance to the premises.	Mandatory
Adult Gaming Centres	No customer shall be able to access the premises directly from any other premises in respect of which a premises licence of the following types of permit have effect: <ul style="list-style-type: none"> <li>• unlicensed family entertainment centre gaming machine permit</li> <li>• club gaming or club machine permit</li> <li>• alcohol licensed premises gaming machine permit</li> </ul>	Mandatory
Adult Gaming Centres	Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease gambling at any gaming machine in order to do so.	Mandatory
Adult Gaming Centres	No alcohol shall be permitted to be consumed on the premises at any time during which facilities for gambling are being provided on the premises. A notice to this effect shall be displayed at every entrance to the premises in a prominent place.	Mandatory
Family Entertainment Centres	No customer shall be able to access the premises directly from a premises where there is: <ul style="list-style-type: none"> <li>• a casino premises licence</li> <li>• an adult gaming centre premises licences</li> <li>• a betting premises licence(other than a track premises licence)</li> </ul>	Mandatory
Family Entertainment Centres	Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease gambling at any gaming machine in order to do so.	Mandatory
Family Entertainment Centres	Where category C gaming machines are made available for use on the premises, then the gaming machines must be: <ul style="list-style-type: none"> <li>• separated from the rest of the premises by a physical barrier to prevent access other than via an entrance designed to be the entrance</li> <li>• supervised at all times to ensure children or young persons do not enter the area</li> <li>• arranged so that the area can be observed by persons responsible for supervision, or closed circuit television which is monitored</li> </ul> <p>The gaming machines area must also have a notice at the entrance stating that no person under the age of 18 is permitted to enter the area.</p>	Mandatory
Family Entertainment Centres	No alcohol shall be permitted to be consumed on the premises at any time during which facilities for gambling are being provided on the premises. A notice to this effect shall be displayed at every entrance to the premises in a prominent place.	Mandatory

## Annex 2 Local Pool of Licence Conditions

The following conditions can be applied to a number of different gambling premises. They can be used as a guide for applicants, residents, Councillors, agencies and responsible authorities such as the Police when making, commenting on or considering applications. This list is not exhaustive and should be used as a guide to help promote the three licensing objectives. Such conditions will only be imposed where there is evidence that the imposition of conditions is necessary to ensure that the licensing objectives are upheld,

<b>CCTV</b>
CCTV covering areas inside and outside of the premises should be installed and maintained to police recommendations with properly maintained log arrangements. All images will be stored for a minimum of 31 days.
A staff member from the premises that is conversant with the operation of the CCTV system will be on the premises at all times that the premises are open to the public. This staff member will be able to show police recent data footage with the minimum of delay when requested. This data or footage reproduction should be almost instantaneous.
<b>Training</b>
Full training shall be given to each member of staff employed at the premises. This training should include sections on compliance, fraud, robbery and crime prevention.
Written records of all staff training shall be kept at the premises and should be made available to the Police and/or authorised Council officers on request
<b>Responsible Management</b>
An incident log book will be maintained by the premises that details incidents that occur in the premises. This shall include refused sales, disorder, and ejections at a minimum. Management shall regularly check the book to ensure that staff are using it. The log book shall be kept on the premises and should be made available for inspection by the Police or Council Officers at any time the premises is open.
<b>Protecting children, proof of age schemes</b>
A Proof of Age scheme shall operate at the premises and all staff shall be trained in its implementation. Only photographic ID such as a British driving licence, a current passport or a PASS ID card shall be treated as acceptable forms of identification
All staff shall be trained in the Proof of Age policy and how to identify acceptable means of identification.
Posters shall be displayed in prominent positions around the entrance to the premises advising customers of the Proof of Age policy in force at the premises
A refusals book will be maintained by the premises that details all refusals to provide gambling activities. This book shall contain the date and time of the incident, a description of the customer, the name of the staff member who refused the sale, and the reason the sale was refused. The refusal book

shall be kept on the premises and should be made available for inspection by the Police and/or authorised Council officers at any time the premises is open.

**Door Supervisors**

Any door supervisors working at the premises must be licensed by the Security Industry Authority

A minimum of (insert number) door supervisors shall be on duty on the premises during the hours of (insert times) on (insert days of the week)

A minimum of (insert number) door supervisors shall be provided on (insert days of week) to patrol external areas of the premises between the hours of (insert times)

Random searches shall be undertaken of customers entering the premises between the hours of (insert times) and prominent signage provided to this effect

**Crime Prevention**

A metal detection device shall randomly be used by door supervisors to search patrons for weapons

A search arch shall be used at the entrance to the premises to detect customers who may be carrying weapons

An electronic door lock (maglock) shall be fitted to the front door of the premises.

Any drugs or weapons confiscated from customers shall be stored in a locked and secure container and the Police shall be notified as soon as reasonably practicable.

All gaming machines shall have a control behind the counter to allow machines to be turned on or off. (Insert crime prevention device – see examples below) shall be installed at the premises to the satisfaction of the Police licensing officer

- Shutters
- Re – enforced steel back/front doors
- Window bars
- External lighting
- Security mirrors
- Prevention signage

No facilities for gambling shall be provided on the premises between the hours of (Insert time) on one day and (Insert time) on the next day

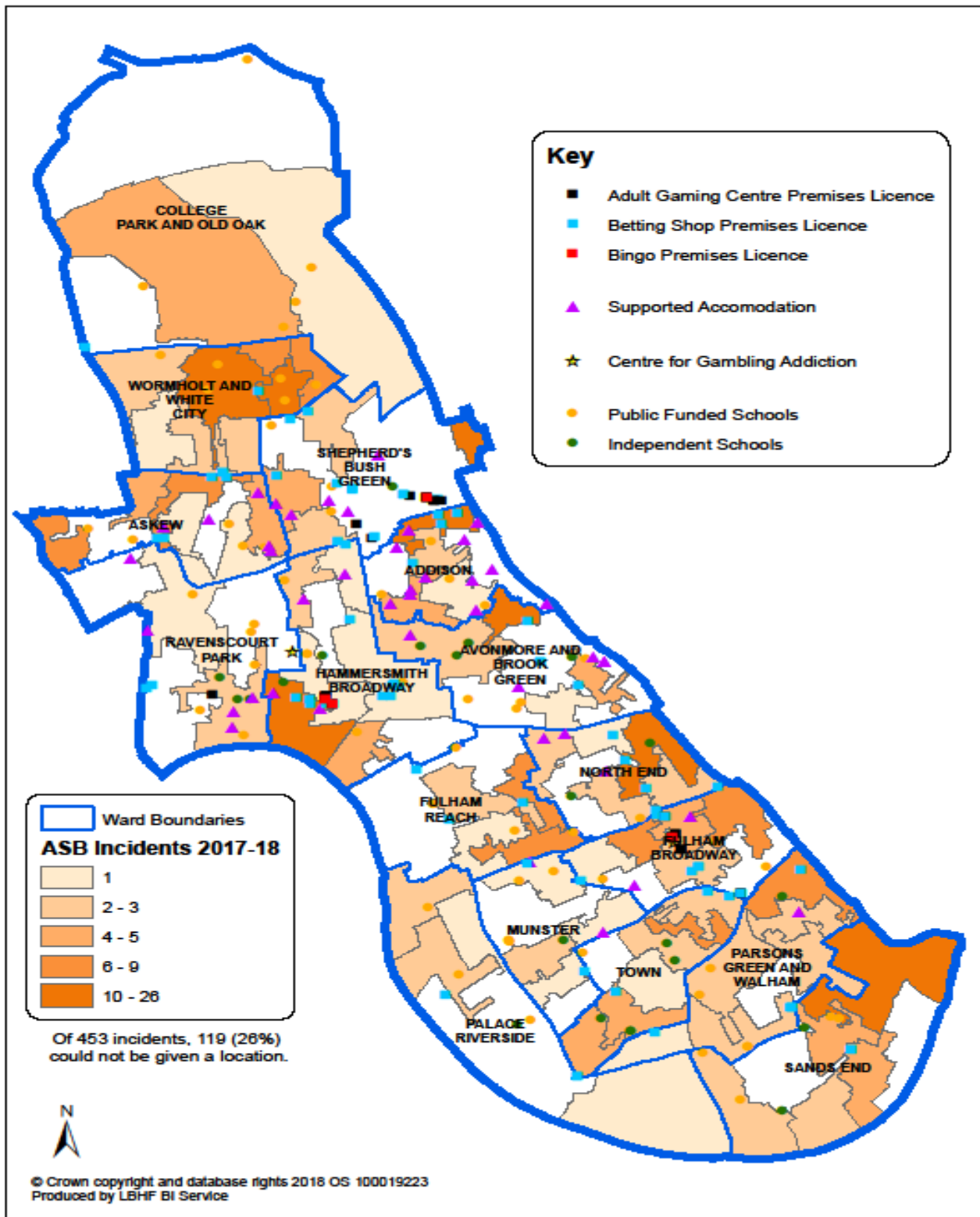
Any entrance or exit doors to the premises shall remain closed at all times (i.e. not propped open)

A panic button shall be installed behind the counter or service area in the premises. This button should alert the Police to any incident taking place at the premises.

Lone working is not permitted in the premises at any time



# Annex 3 – Local Area Profile Map



**Draft Statement of Gambling Policy 2019 for RBKC & LBHF:**  
**CNWL Addictions Comments**

The policy statements proposed by the Royal Borough of Kensington & Chelsea and the London Borough of Hammersmith & Fulham, respectively have been reviewed by CNWL Addictions and the National Problem Gambling Clinic (NPGC). Each statement has been reviewed in conjunction with guidance published by the Gambling Commission.

CNWL addictions welcomes the commitment of the respective London Boroughs in considering safeguarding needs in relation to gambling and local licencing authority obligations.

Regarding the statements on gambling, we have made the following recommendations for each London borough in response to sections on safeguarding adults and children:

**Royal Borough of Kensington & Chelsea**

- Section 8.4:

*“ Provision of information leaflets/helpline numbers for organisations such as GamCare and GambleAware”*

CNWL Addictions suggest: Ensuring that resources made available include details on how to access the National Programme Gambling Clinic. A patient information leaflet is currently being developed in conjunction with the communications team which includes referral criteria and key contact details.

- Section 10.6 on Local Risk Assessments (for gambling premises)

*“The Authority will expect the local risk assessment to consider:.....  
proximity of premises which may be frequented by vulnerable people such as hospitals, residential care homes, medical facilities, doctor’s surgeries, council housing offices, addiction clinics or help centres, places where alcohol or drug dependant people may congregate.”*

CNWL Addictions suggest: RBKC to support local risk assessments through provision of up to date information of local heat maps of vulnerable adults in the borough including locations of addiction services and NPGC.

- Section 10.22 under “Protecting children and other vulnerable persons from being harmed or exploited by gambling”

**London Borough of Hammersmith and Fulham (LBHF)**

- Section 5.12 States *“This Authority will expect applicants for the new grant of, or variation to an existing, licence to also submit their LRA to comply with the Licence Conditions and Codes of Practice(LCCP)..... The LCCP also states that a LRA must also be submitted when changes in the local environment or the premises warrant a LRA to be conducted again. This may*

*be where: - proximity of premises which may be frequented by vulnerable people such as hospitals, residential care homes, medical facilities, doctor's surgeries, council housing offices, addiction clinics or help centres, places where alcohol or drug dependant people may congregate.*

CNWL Addictions suggest: LBHF to support local risk assessments through provision of up to date information of local heat maps of vulnerable adults in the borough including locations of addiction services and NPGC.

- *Section 5.8 States Provision of information leaflets/helpline numbers for organisations such as GamCare and GambleAware”*

CNWL Addictions suggest: Ensuring that resources made available include details on how to access the National Programme Gambling Clinic. A patient information leaflet is currently being developed in conjunction with the communications team which includes referral criteria and key contact details.

## **Local Resident**

**From:**

**Sent:** 06 August 2018 13:28

**To:** [licensing@lbhf.gov.uk](mailto:licensing@lbhf.gov.uk); Shearer Kim: H&F <[Kim.Shearer@lbhf.gov.uk](mailto:Kim.Shearer@lbhf.gov.uk)>

**Cc:** Adam Connell <[cllr.adam.connell@gmail.com](mailto:cllr.adam.connell@gmail.com)>

**Subject:** FW: [CTRA] Fwd: Gambling Policy Public Consultation - PLANNING

Dear Kim Shearer, is email address for comments ok [licensing@lbhf.gov.uk](mailto:licensing@lbhf.gov.uk) because we had a message that it is no longer valid? Please confirm that my comment below is recorded.

As residents of Charecroft Estate on Shepherds Bush Green we write to comment on this 2018 gambling policy consultation.

Please shut down the betting shops located between our residential areas and the grocery stores. In that way the family budget can have less chance of ending up with the bookies due to problem betting.

Charecroft Estate is overcrowded with quite a lot of criminality and poverty. We see residents on the street begging who also frequent local betting shops such as William Hill inside West 12 Shopping Mall and another betting shop facing the Central Line tube. Those shops are between the residential blocks on our way to the grocery shop, for about 420 households, and we wonder how much money from the family budget intended for groceries ends up with the bookies because of the situation. The planners at the council can ensure that betting shops are not situated in between the housing estate and the grocery shop, that is, the Lidl grocery shop that is important to families on a budget. Betting shops can be situated across the road instead along Uxbridge Road.

This message is copied to Councillor Adam Connell because it may be relevant to planning.

Yours sincerely

## **Metropolitan Police**

**Subject:** Gambling policy consultation

Adrian

We have considered the proposals set out in the amended statement of gambling policy and the Police are of the opinion that they will not impact adversely on the three licensing objectives. At this point we have no further comments on the updated policy.

Kind Regards

Tom

Tom Stewart 230FH  
Acting Police Sergeant  
Licensing Officer - Hammersmith and Fulham  
Metropolitan Police Service

**02082462715**

**07876707570**

[Tom.stewart@met.pnn.police.uk](mailto:Tom.stewart@met.pnn.police.uk)

[FHLicensing@met.police.uk](mailto:FHLicensing@met.police.uk)

Shepherds Bush Police Station

[www.met.police.uk](http://www.met.police.uk)



### **The Council's Noise and Nuisance Team**

Hi Adrian

I have reviewed the amended draft gambling policy and I have no observations to make in regard to Public Nuisance issues.

Thank you for consulting with me

Kind regards

Keith

Keith

Keith Mehaffy

Bi Borough Area Senior Environmental Health Officer

Noise and Nuisance team

020 7341 5702

## STATEMENT OF GAMBLING POLICY (SGP 2019 - 2022)

## RECORD OF RESPONSES TO PUBLIC CONSULTATION 11 May 2018 – 03 August 2018

NAME/ORGANISATION	COMMENTS	RELEVANT TO SGP	SGP REVISED YES/NO	REVISION DETAILS
Central and North West London NHS Foundation Trust (CNWL)	<p>1) Suggests that paragraph 5.8 include information regarding the National Programme Gambling Clinic (NPGC).</p> <p>2) Suggests that local 'heat maps' be available in relation to vulnerable people in the borough, including locations of addiction services and the NPGC.</p>	<p>Yes</p> <p>Yes</p>	<p>Yes</p> <p>Already included</p>	<p>1) Paragraph 5.8 does not appear to be relevant to this addition as it relates to local area profiles. However, information regarding the National Programme Gambling Clinic (NPGC) has been entered in paragraph 5.11(f) and the last bullet point in paragraph 5.13.</p> <p>2) An updated Local Area Profile Map is included at Page 36 to identify potentially vulnerable people in the borough, including locations of addiction services and the National Programme Gambling Clinic (NPGC).</p>
Local Resident	The author asks that the betting shops in the vicinity of the Charecroft Estate on Shepherds Bush Green be closed down to reduce the amount of money	No	No	Although this specific issue is not a matter for the Gambling Policy, officers will investigate these betting shops to ensure they are operating legally and within the Responsibility

	being gambled rather than spent on household necessities.			Codes and Codes of Practice.
The Metropolitan Police	No additional comments	Yes	Not applicable	No additional comments
RBKC Environmental Health Dept	No additional comments	Yes	Not applicable	No additional comments

## **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](mailto: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 8 OCTOBER 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](mailto: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](http://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**

<b>Leader:</b>	<b>Councillor Stephen Cowan</b>
<b>Deputy Leader:</b>	<b>Councillor Sue Fennimore</b>
<b>Cabinet Member for the Environment:</b>	<b>Councillor Wesley Harcourt</b>
<b>Cabinet Member for Housing:</b>	<b>Councillor Lisa Homan</b>
<b>Cabinet Member for the Economy and the Arts:</b>	<b>Councillor Andrew Jones</b>
<b>Cabinet Member for Health and Adult Social Care:</b>	<b>Councillor Ben Coleman</b>
<b>Cabinet Member for Children and Education:</b>	<b>Councillor Larry Culhane</b>
<b>Cabinet Member for Finance and Commercial Services:</b>	<b>Councillor Max Schmid</b>
<b>Cabinet Member for Public Services Reform:</b>	<b>Councillor Adam Connell</b>
<b>Cabinet Member for Strategy:</b>	<b>Councillor Sue Macmillan</b>

*Key Decisions List No. 69 (published 7 September 2018)*

## KEY DECISIONS LIST - CABINET ON 8 OCTOBER 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>
<b>8 October</b>				
Cabinet	8 Oct 2018	<b>CAPITAL PROGRAMME MONITOR &amp; BUDGET VARIATIONS, 2018/19 (FIRST QUARTER)</b>  This report provides a financial update on the Council's Capital Programme and seeks approval for budget variations, as at the end of the first quarter	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: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk				
Cabinet	8 Oct 2018	<b>Corporate Revenue Monitor 2018-19 Month 3 - June 2018</b>  Forecast of spend v budget for 2018-19	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: Emily Hill  emily.hill@lbhf.gov.uk				
Cabinet	8 Oct 2018	<b>Procurement Strategy for the Supply and Delivery of Office Stationery</b>  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	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: Geoff Sorrell  geoff.sorrell@lbhf.gov.uk				

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
		organisations by the London Borough of Havering.		papers to be considered.
Cabinet	8 Oct 2018  Reason: Expenditure more than £100,000	<p><b>Idox Managed Services ICT systems contract extension</b></p> <p>Recommendation to extend the current contract between the Council and the Idox Group for a further 2 years as per the terms of the contract until 31st March 2021.</p> <p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Finance and Commercial Services</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Kevin Rainsbury, Matt Caswell Tel: 020 8753 2708 krainsbury@wcc.gov.uk, Matt.Caswell@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Oct 2018  Reason: Expenditure more than £100,000	<p><b>West King Street Renewal</b></p> <p>This is for approvals related to contract for the West King Street Renewal</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 Economy and the Arts</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Archie Adu-Donkor  Archie.Adu-Donkor@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet ( <i>other relevant documents may be submitted</i> )
Cabinet	8 Oct 2018  Reason: Expenditure more than £100,000	<b>ALTERNATIVE ECOLOGICAL MITIGATION CONSULTANTS PROCUREMENT</b>  This report is seeking permission for the council to approach the market and procure contracts on behalf of the Wormwood Scrubs Charitable Trust for the design of Alternative Ecological Mitigation and conservation management plan proposals for Wormwood Scrubs Park.	Cabinet Member for the Environment  Ward(s): All Wards  Contact officer: Richard Gill Tel: 07833482119 richard.gill@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	8 Oct 2018  Reason: Expenditure more than £100,000	<b>CONTRACT FOR BLUE BADGE INVESTIGATION AND ENFORCEMENT</b>  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	8 Oct 2018  Reason: Expenditure more than £100,000	<b>CONTRACT AWARD FOR RAPID ELECTRIC VEHICLE CHARGING CONTRACT – SCRUBS LANE CAR PARK</b>  Award contract for supply, operate and maintain rapid electric vehicle charge points in Scrubs Lane car park. This is a revenue generating only Call-Off Contract and LBHF will not incur any expenditure from this award.  PART OPEN  PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances	Cabinet Member for the Environment  Ward(s): College Park and Old Oak  Contact officer: Richard Hearle  Richard.Hearle@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)
		of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	8 Oct 2018	<b>Hammersmith Flyover - Greening, Planting And Cycle Parking Improvement Scheme</b>  To delegate approval to the Director of Transport and Highways in consultation with the Cabinet member for Environment to approve the implementation of the Flyover LEN Scheme in Autumn 2018.	Cabinet Member for the Environment	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): Hammersmith Broadway	
Cabinet	8 Oct 2018	<b>Key Compliance Policies - Asbestos/Fire/Gas</b>  Seeking acceptance of Growth and Place compliance policies covering Asbestos, Fire and Gas Safety and Management.	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	8 Oct 2018	<b>BUSINESS CASE AND PROCUREMENT STRATEGY FOR HOUSING LIFT MODERNISATION PROGRAMME</b>  This report seeks approval of a procurement strategy for the completion of the housing lift modernisation programme	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	8 Oct 2018	<b>Mitie Partnership Progress Report</b>  A report on our repairs and maintenance contract with Mitie.	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
	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 <b>Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.</b>	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet ( <i>other relevant documents may be submitted</i> )
	£100,000	<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: David McNulty</p> <p>David.McNulty@lbhf.gov.uk</p>	<p>will include details of any supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>8 Oct 2018</p> <hr/> <p>Reason: Expenditure more than £100,000</p>	<p><b>Appointment of Client Technical Advisor for Hammersmith Town Hall Refurbishment Project</b></p> <p>To seek cabinet approval to appoint a Client Technical Advisor through a competitive bid process using the Crown Commercial Services Framework</p>	<p>Cabinet Member for the Economy and the Arts</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Archie Adu-Donkor</p> <p>Archie.Adu-Donkor@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> <hr/> <p>Reason: Affects 2 or more wards</p>	<p><b>Increase Investment in Private Rented Sector Accommodation to Reduce Numbers in Temporary Accommodations</b></p> <p>This report seeks approval to invest £900k from the Temporary Accommodation Earmarked Reserve to secure 300 additional private rented sector properties (Direct Lets) over the next two years for the purposes of preventing homelessness or enabling households to exit Temporary Accommodation. To support this investment, it is recommended that additional operational and policy measures be introduced to further encourage voluntary acceptances of Direct Let offers</p>	<p>Cabinet Member for Housing</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Glendine Shepherd Tel: 020 8753 4148 Glendine.Shepherd@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> )
Cabinet	8 Oct 2018	<b>Appropriation of Watermeadow Court and Edith Summerskill House</b>	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: Expenditure more than £100,000	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.	Ward(s): Fulham Broadway; Sands End  Contact officer: Matthew Rumble  matt.rumble@lbhf.gov.uk	
<b>5 November</b>				
Cabinet	5 Nov 2018	<b>EdCity Development</b>	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: Expenditure more than £100,000	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.  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.	Ward(s): Wormholt and White City  Contact officer: Jacquie Agyemang-Johnson Tel: 020 8753 6090 Jacquie.Agyemang-Johnson@lbhf.gov.uk	
Cabinet	5 Nov 2018	<b>Business Case &amp; Procurement Strategy for the Housing Management System</b>	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
	Reason: Expenditure more than £100,000	That Cabinet approves the divergence from the Integrated Management System Procurement Strategy and Business Case to permit the separate tendering of	Ward(s): All Wards  Contact officer: Alistair Nimmons	

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> )
		the Housing Management System currently supplied by Northgate (iWorld)	Alistair.Nimmons@lbhf.gov.uk	and / or background papers to be considered.
Cabinet	5 Nov 2018  Reason: Expenditure more than £100,000	<b>Corporate Property Services Framework</b>  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: David Burns, Nigel Brown Tel: 020 8753 2835 David.Burns@lbhf.gov.uk, Nigel.Brown@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Nov 2018  Reason: Expenditure more than £100,000	<b>West King Street Renewal</b>  This is for approvals related to contract for the West King Street Renewal.  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 the Economy and the Arts  Ward(s): Hammersmith Broadway  Contact officer: Archie Adu-Donkor  Archie.Adu-Donkor@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Nov 2018  Reason: Budg/pol framework	<b>Interim Review of Polling Place and Polling district boundaries - Sands End Ward</b>  The current polling place in SEC polling district is due to close for redevelopment. It is proposed to designate Langford Primary School for use as a polling station	Leader of the Council  Ward(s): Sands End  Contact officer: Zoe Wilkins	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation



Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision <b>Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.</b>	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> )
		<p>in this district.</p> <p>It is also proposed to move the boundary between SEC and SEB polling district to allow residents in the most south westerly part of the current SEC district to become part of SEB district and vote in Saint Matthews Church Hall, which is much closer to them and more convenient than Langford Primary School</p>	zoe.wilkins@lbhf.gov.uk	and / or background papers to be considered.
Cabinet	5 Nov 2018  Reason: Expenditure more than £100,000	<p><b>Property Acquisitions</b></p> <p>This report seeks to provide funding for affordable housing in the borough.</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 Housing  Ward(s): Shepherds Bush Green  Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Nov 2018  Reason: Expenditure more than £100,000	<p><b>Main Contractor Procurement &amp; Contract Award For TBAP Bridge AP Academy Site</b></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</p>	Cabinet Member for Children and Education  Ward(s): Palace Riverside  Contact officer: Kevin Gordon Tel: 07970 150897 Kevin.Gordon@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 <b>Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.</b>	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> )
		financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	5 Nov 2018  Reason: Affects 2 or more wards	<b>Designation of conservation area extensions and conservation area boundary amendments and adoption of conservation area character profiles</b>  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: Adam O'Neill, Paul Goodacre Tel: 020 8753 3314 paul.goodacre@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Nov 2018  Reason: Affects 2 or more wards	<b>Corporate Revenue Monitor 2018-19 Month 4 - July 2018</b>  Forecast of spend v budget	Cabinet Member for Finance and Commercial Services  Ward(s): All Wards  Contact officer: Emily Hill  emily.hill@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Nov 2018  Reason: Expenditure more than	<b>Local Implementation Plan for Transport (LIP3)</b>  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

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	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 <a href="mailto:chris.bainbridge@lbhf.gov.uk">chris.bainbridge@lbhf.gov.uk</a>	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Nov 2018  Reason: Expenditure more than £100,000	<p><b>Offsite Records Storage Service</b></p> <p>Offsite Records Storage Service, for the secure storage of documents and records in a physical format including paper, microfilms, microfiche and some objects. This will also include retrieval services with the capability of doing scan on demand as well as a bulk scanning service and secure destruction of records as requested.</p> <p>PART OPEN</p> <p>PART PRIVATE</p> <p>Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Finance and Commercial Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Ciara Shimidzu Tel: 0208 753 3895 <a href="mailto:Ciara.Shimidzu@lbhf.gov.uk">Ciara.Shimidzu@lbhf.gov.uk</a></p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	5 Nov 2018  Reason: Expenditure more than £100,000	<p><b>Grove Neighbourhood Council - 7 Bradmore Park Road W6 0DT</b></p> <p>Grove Neighbourhood Council has approached the Council to acquire the Freehold of the property which they currently occupies under a 99 year lease from 20th January 1983 on a full repairing and insuring basis at a "peppercorn rent".</p>	<p>Cabinet Member for Finance and Commercial Services</p> <p>Ward(s): Ravenscourt Park</p> <p>Contact officer: Ade Sule Tel: 0208 753 2850 <a href="mailto:ade.sule@lbhf.gov.uk">ade.sule@lbhf.gov.uk</a></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

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
		<p>PART 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>		considered.
Cabinet	<p>5 Nov 2018</p> <hr/> <p>Reason: Expenditure more than £100,000</p>	<p><b>Shepherds Bush Green: Approval to Procure a Main Works Contractor for Drainage and Landscaping Works</b></p> <p>Approval to procure a contractor to carry out landscape and drainage improvements at Shepherds Bush Green</p>	<p>Cabinet Member for the Environment</p> <hr/> <p>Ward(s): Shepherds Bush Green</p> <hr/> <p>Contact officer: Alice O'Mahony</p> <p>Alice.O'Mahony@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>5 Nov 2018</p> <hr/> <p>Reason: Expenditure more than £100,000</p>	<p><b>Appointment of Client Technical Advisor - Town Hall Refurbishment and Heritage Works</b></p> <p>To seek Cabinet Approval to appoint a Client Technical Advisor for the Town Hall Refurbishment and Heritage Protection Works. The selection process was carried out through competitive bids using Crown Commercial Services framework.</p>	<p>Cabinet Member for the Economy and the Arts</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Archie Adu-Donkor</p> <p>Archie.Adu-Donkor@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>5 Nov 2018</p> <hr/> <p>Reason: Affects 2 or more wards</p>	<p><b>Proposed Local Discretionary Business Rates Relief Scheme, 2018/19, 2019/20 &amp; 2020/21</b></p> <p>To approve the amended Local Discretionary Business Rate Relief</p>	<p>Cabinet Member for Finance and Commercial Services</p> <hr/> <p>Ward(s): All Wards</p>	A detailed report for this item will be available at least five working days before the date of the meeting and

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision <b>Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.</b>	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> )
		Scheme to provide support, by way of the Government Grant, to certain ratepayers who face an increase in their Business Rates bills for the financial year 2018/19 through to 2020/21.	Contact officer: Jamie Mullins Tel: 020 8753 1650 Jamie.Mullins@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
<b>3 December</b>				
Cabinet	3 Dec 2018  Reason: Affects 2 or more wards	<b>Corporate revenue Monitor Month 5 - August 2018</b>  forecast of spend v budget for 2018-19	Cabinet Member for Finance and Commercial Services  Ward(s): All Wards  Contact officer: Emily Hill  emily.hill@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	3 Dec 2018  Reason: Affects 2 or more wards	<b>AWARD OF H&amp;Fs NON-RESIDENTIAL PROPERTY WATER CONTRACT TO WATER PIUS</b>  Following Cabinet approval 15th January 2018 for the council to use its energy purchasing body's (Laser) framework to procure a water utilities provider for water and sewage services to its non-residential property portfolio and meet its requirement under the Water Deregulation 2017 for non-domestic supply. The council has completed a successful procurement tender, reviewed the winning tenderer's terms and condition and is in a position to award the contract depending Cabinet approval	Cabinet Member for Finance and Commercial Services  Ward(s): All Wards  Contact officer: Sebastian Mazurczak Tel: 020 8753 1707 Sebastian.Mazurczak@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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> )
<b>14 January 2019</b>				
Cabinet	14 Jan 2019  Reason: Affects 2 or more wards	<b>Corporate Revenue Monitor 2018-19 Month 6 - Sept 2018</b>  forecast of 2018-19 spend v budget	Cabinet Member for Finance and Commercial Services  Ward(s): All Wards  Contact officer: Emily Hill  emily.hill@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	14 Jan 2019  Reason: Expenditure more than £100,000	<b>CAPITAL PROGRAMME MONITOR &amp; BUDGET VARIATIONS, 2018/19 (SECOND QUARTER)</b>  This report provides a financial update on the Council's Capital Programme and seeks approval for budget variations, as at the end of the second quarter	Cabinet Member for Finance and Commercial Services  Ward(s): All Wards  Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@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.
<b>4 February 2019</b>				
Cabinet	4 Feb 2019  Reason: Affects 2 or more wards	<b>Corporate Revenue Monitor 2018-19 Month 7 - Oct 2018</b>  forecast of 2018-19 spend v budget	Cabinet Member for Finance and Commercial Services  Ward(s): All Wards  Contact officer: Emily Hill  emily.hill@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	4 Feb 2019  Reason: Expenditure more than	<b>CAPITAL PROGRAMME MONITOR &amp; BUDGET VARIATIONS, 2018/19 (THIRD QUARTER)</b>  This report provides a financial	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

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet ( <i>other relevant documents may be submitted</i> )
	£100,000	update on the Council's Capital Programme and seeks approval for budget variations, as at the end of the third 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	4 Feb 2019	<b>FOUR YEAR CAPITAL PROGRAMME 2019/20</b>  This report presents the Council's four-year Capital Programme for the period 2019-23	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: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk			
<b>1 April 2019</b>				
Cabinet	1 Apr 2019	<b>Corporate Revenue Monitor 2018-19 Month 9 - Dec 2018</b>  forecast of spend v budget	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: Emily Hill  emily.hill@lbhf.gov.uk	